The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, NOVEMBER 10, 1934 VOLUME 70, NUMBER 11

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Business Done:- 760,000 Shares

November 6, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCKS	Last Sale Nov. 3	Last Sale Nov. 5
18¾	3	—	Adams Express	6¾	7⅛
112	47½	3.00	Air Reduction	102½	103⅞
33	11⅛	1.20	Alaska Juneau	18⅛	18⅛
160¾	70¾	6.00	Allied Chemical	128	128
26⅝	6	—	Allis Chalmers	12½	13¼
42½	9¼	0.80	Am. Brake Shoe & Fdry.	24¼	24¼
107¾	49½	4.00	American Can	101½	102½
89⅞	13	—	Amer. Comml. Alcohol	28⅛	28½
22½	3¼	0.25	Amer. Cyanamid "B"	16	16⅜
19⅝	3⅞	—	American & Foreign Power	5¼	5⅜
27⅝	3⅛	—	American Metal Company	13½	13½
58⅛	10¾	—	American Smelting	35	35¼
134¾	86½	9.00	American Tel. & Tel.	110¾	111
94⅝	50⅝	5.00	American Tobacco "B"	81¼	82½
43¼	10⅞	1.00	American Waterworks	15	15
22⅞	5	—	Anaconda Copper	10¼	10¼
18⅝	5⅝	—	Atlas Corporation	8¼	8¼
84¼	16⅞	—	Auburn	25	25½
37⅞	8¼	—	Baltimore & Ohio	14⅝	15
49½	10⅜	—	Bethlehem Steel	26½	26
37½	18	1.60	Borden Company	26	26⅛
28⅝	5½	1.00	Borg Warner	24⅜	25⅜
20⅞	7¼	—	Canadian Pacific Railway	11⅝	11¾
103½	30¼	—	Case, J. I.	47	47⅜
40⅜	15⅞	1.40	Chase National Bank	24⅜	24½
52½	14⅞	2.50	Chesapeake Corporation	37	37½
60⅜	7¾	1.00	Chrysler	34⅜	35¼
28½	7⅜	—	Columbia Gas & Electric	8	8
6¼	1¼	—	Commonwealth & Southern (ord.)	1¼	1⅜
64⅛	25¼	1.00	Consolidated Gas of N. Y.	26½	26¼
23¾	4⅞	1.00	Continental Oil	17	17½
9⅝	2	—	Coty Inc.	4½	5
5¼	1½	—	Curtiss Wright Company	2⅜	2½
93¾	35	—	Delaware & Hudson	37½	38¾
28¼	10¼	—	Douglas Aircraft	17⅞	18¾
108⅞	32⅜	2.60	Du Pont de Nemours	92½	93¼
106	46	4.00	Eastman Kodak	105	107¼
41⅝	9⅛	—	Electric Bond & Share	9½	9¾
15⅝	3⅛	—	Electric Power & Light	3⅝	3⅝
19	8¼	—	Fox Film "A"	12½	12¾
50⅝	16¼	2.00	Freeport Texas	26⅝	26⅝
10¾	2⅞	—	General Aviation	4	4
30¼	10½	0.60	General Electric	18¼	18
39⅞	21	1.80	General Foods	32½	33½
42	10	1.00	General Motors	29⅝	30
40½	13¼	1.00	General Railway Signal	26	25
27⅜	12	1.20	Gold Dust	16¼	17
47½	9¼	—	Goodyear Tire & Rubber	21¼	21⅜
81½	15	3.00	Hercules Pwdr. Co.	71½	73
57¼	35	3.00	Howe Sound	47½	48
40	6⅛	—	International Cement	21⅝	23¼
46⅞	13¼	0.60	International Harvester	33	33
29¼	6⅜	0.60	International Nickel	22⅜	23
21¾	5⅛	—	International Tel. & Tel.	9	9
66⅝	12¾	—	Johns Manville	49	50⅝
26	7⅞	0.60	Kennecott	16¾	16⅞
79⅝	37½	2.40	Lehman Corporation	66¼	67
102⅞	49	4.00	Liggett & Myers "B"	102⅜	100
36½	8⅛	1.00	Loew's Inc.	30⅜	31⅛
25¼	10⅜	1.20	Lorillard	18¼	18⅜
35⅝	8⅝	—	Montgomery Ward	27⅛	28⅛
48	16⅞	1.00	National City Bank	21⅜	21¼
33¼	16⅛	—	National Distillers	22⅜	23
58½	14	—	New York Central	20⅞	21¼
36½	12⅛	4⅞8	North American	13	12⅜
96⅜	31½	4.00	Owens Illionois Glass	80	81
31⅞	13¼	1.50	Pacific Gas & Electric	16⅜	16⅜
6⅞	1⅜	—	Packard Motors	3½	3⅜
6⅜	1⅞	—	Pennroad Corporation	1⅝	1⅞
42½	18⅜	1.00	Pennsylvania Railroad	22½	22½
20⅜	4⅜	1.00	Phillips Petroleum	14⅞	15⅛
12¼	3	—	Radio Corporation	5⅝	5⅞
54¼	26½	3.00	Reynolds Tobacco "B"	48⅜	49⅛
51⅜	12½	—	Sears Roebuck	39½	40
19⅞	6	0.60	Socony-Vacuum	13⅞	14
28	10¼	1.50	Southern California Edison	14	14¼
22½	5⅛	—	Standard Gas & Electric	7⅜	7¼
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51⅞	19⅜	1.40	Union Carbide & Carbon	44	44
133⅞	61¼	6.00	Union Pacific	100⅝	101
10½	8⅛	—	United Aircraft (New)	8⅛	8½
14½	3⅜	—	United Corporation	3½	3½
25	13⅝	1.20	United Gas Improvement	13⅝	13¾
51½	21½	2.00	Universal Leaf Tobacco	51¾	54½
25	2⅞	—	U. S. Rubber	15	15
67½	28⅝	—	U. S. Steel	31¼	31½
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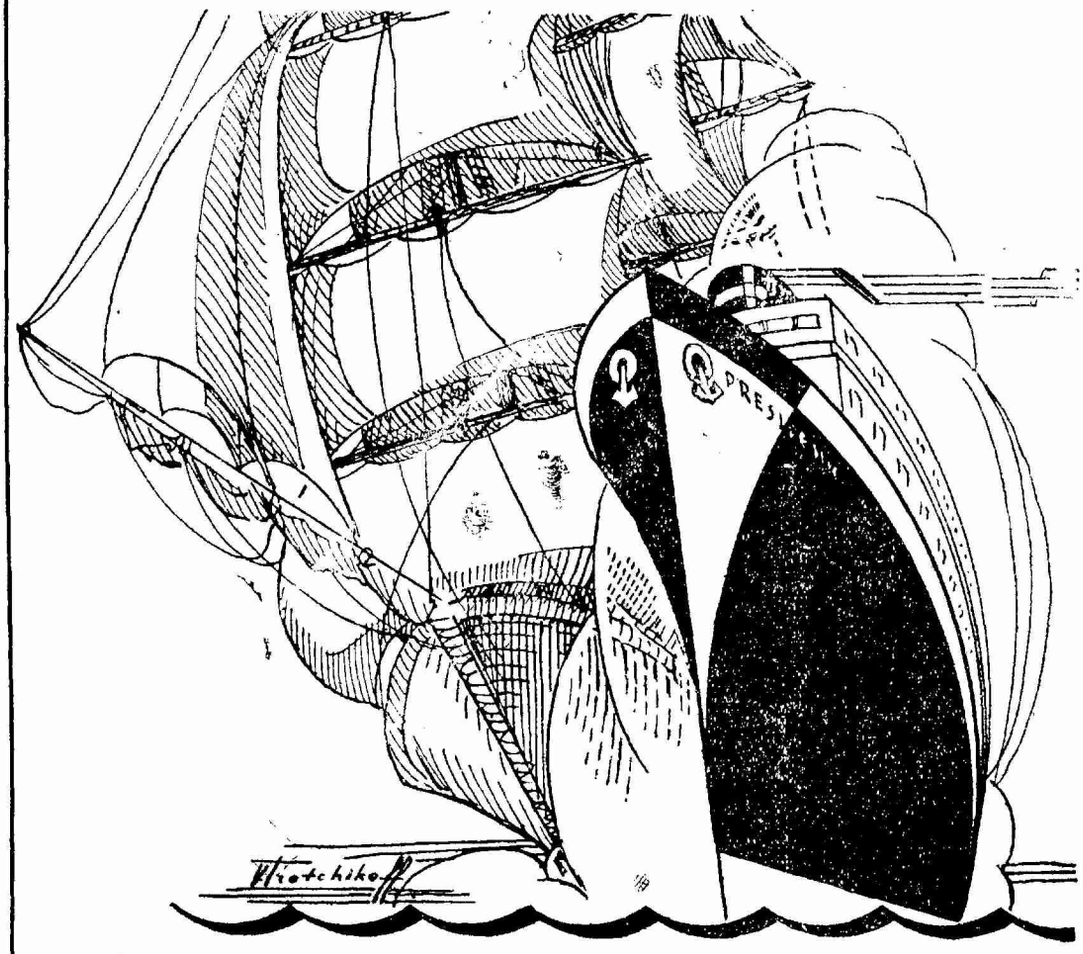

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The China Weekly REVIEW

Formerly Millard's Review

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Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

THIRTY-FOUR CHINESE TRY TO "BREAK INTO" AMERICA

THE gruesome tale from New Jersey in connection with the smuggling of 34 Chinese into the United States will arouse emotions in the breasts of thoughtful persons somewhat different than the reactions felt by the average man in the street. It is always worth while to try and view events of this sort from a detached point of view, just as they would be by a citizen of Mars who made a tour of this mundane sphere. It is a truism that each country has the right to define for itself whom it shall admit to its borders. But, nevertheless, there may come a time when that truism will be as out-of-date as the do'o. The time may come, and it would certainly contribute much to the well-being of the world if it came quickly, if a League of Nations that really was what its name implied would decree that mankind shall have real freedon, freedom to go and come wherever and whenever each individual choses so long as he moves decently and honestly —with no more questions asked than if he walked down Main Street. Many countries, including America, at present enforce laws against free movement of population into their domain. The word Prohibition has been used so much in connection with the drinking of alcoholic liquors that the average person forgets that there are many other things to which the word applies. Before the World War much was heard about Germany being a *Verboten* land (the word "verboten," means to prohibit, or to forbid). Now the whole world has become a sort of *verboten* land. The ray of hope on the horizon is that America is reversing itself on a number of its restrictive policies. Within the last year or two America reversed itself on the Prohibition (as applied to drink) policy. It is now on the point of reversing itself on the high tariff policy, which in many respects has proved as effective an embargo on trade as China's export duty on silver. It might also now be worth while for America to reconsider its policy on immigration, particularly as applied to Orientals. In fact it might not be a bad idea to go back to the old immigration policy of leaving nationality out of the immigration question entirely. It is not nationality, but ability and

character, that ought to be considered in restricting immigrants, assuming that it really pays to have any restriction at all (except for mental or medical reasons). The restriction of immigration as at present carried out by America is based on the mistaken assumption that a lessened population would make for prosperity. That is no more true than the theory that high tariffs would necessarily make for prosperity. The spectacle of 20 million dependent people in the United States at the present moment is proof enough that the "protective" theory as regards either goods or population has not worked out in practice. If our friend from Mars would be asked to give an opinion on America's immigration policy it might, possibly, be something like this: "The fact of the matter is that you first drove off the original inhabitants, occupied their land, and called yourselves by the name that they were really entitled to. Then after you had occupied the choice spots of the country, you practically said to the rest of the world, 'Keep off, we got here first.' Your plea for a higher standard of living has had precedents. The Manchus in the Forbidden City also had a high standard of living, marble palaces and fancy foods. So did the Bourbons at Versailles. But that higher standard was maintained by artificial means, and the surrounding inhabitants were denied a share in it. You know what happened to them."

AUCTION BUSINESS FALLS FROM ONCE HIGH ESTATE

AMONG the various lines of endeavor in China treaty ports to fall from a once high estate is that of the auction business—particularly so in Shanghai. Something over a half a century ago a British Jew fireman set himself up in this line and the house he established still stands as a monument to his enterprise. Two Scotsmen some time later—their ashes both lie in urns at the Shanghai Cemetery crematorium—formed a partnership, and the house they established also survives. These two firms had as a competitor in certain lines a firm established by another Scotsman who died not long since at a ripe old age, but his auctioneering establishment did not survive him. For many years an enterprising Dane gave these British houses sharp competition, but the firm he established has also given up the ghost after various vicissitudes following his retirement to his native land, and later death. In former years when cabarets and cinemas were still unheard of, the auctions in Shanghai, particularly in such cases where the contents of private houses were sold, were something of a society event. Business men then had leisure to stand around waiting for a bargain—not so now. The auctioners themselves held a social position on a much higher plane than auctioneers generally enjoy throughout the world. It is only in recent years that the residents of Shanghai have taken to apartment life. Up to two decades ago the average Shanghailander who could afford it disdained to share the roof over his head with anybody else. The families occupied ample space, and the houses were liberally furnished. When they took a vacation to their homeland—which they did much oftener than the present scanty profits will allow—their household effects naturally were put under the auctioneer's hammer. It was only occasionally that it happened, as it so often does now, that some other family would take over the place during the owner's absence. Until recent years the demand for British piece goods (cotton dry goods) was so keen in Shanghai and other Chinese ports that the consignments from Manchester were put up at auction regularly every week and sold at a profit. Such auctions are now few and far between, owing to changed conditions. In former years the sale of cargo in general, sometimes damaged and often sound, formed a very lucrative part of the local auctioneer's business. But altered circumstances have made for a very reduced patronage. In the "good old days" of three or five per cent duties on general cargo, European and American firms thought nothing of "trying the market", ordering several thousand dollars of this or that and trusting to luck to get rid of it. If they got "stuck", as they did not infrequently, the auctioneer would be called in and save them from a total loss. But with the present high duties that sort of experimentation has pratically been brought to an end. In former years the average warehouse was a rickety, rattle-trap structure, leaky and rat infested. Every time it rained a considerable part of the contents was more or less damaged. Off they went to the auction room. Likewise the ships were smaller and more poorly constructed. The proportion of ship-damaged cargo was exceedingly high. All of this damaged cargo meant so much more business for the auctioneer. But in these days of modern concrete warehouses and larger and better ships, damaged cargo from warehouses is almost non-existent and the proportion of sea-damaged cargo is very small indeed. The result on the auction houses is reflected in the modest premises that they now occupy. The oldest auction house in past years had built for itself special premises. These premises about two years ago were given up, and sold, the auctioneers moving to modest rented premises in a nearby street. The other British auction house has during the past few weeks once more removed to smaller premises, in a comparatively out of the way street conducting all its business in one room, whereas formerly it occupied spacious premises in separate buildings in order to accommodate its various departments.

Batavia Negotiations Reach Complete Deadlock

The trade negotiations between the Netherlands East Indies and Japan have been deadlocked for several weeks, largely because of the Netherlands East Indies' demand for January purchases of sugars before the end of 1937. After considering the demand, the Japanese Government definitely turned it down, considering the amount to be excessive and the demand itself to be an unjustified interference with Japan's internal policies. The Netherlands East Indies Government has recently imposed severe restrictions upon Japanese imports

The Japanese future. The delegates of both countries have wired to their respective governments, asking if they should not discontinue the conferenee, since there is absolutely no hope of finding satisfactory agreement.

America and China Both Find That Higher Customs Rates Have Resulted in Decreased Revenues

A REMARKABLE similarity is to be seen in recent messages from New York and Nanking. They both referred to the results of the high customs tariff schedules. The message from New York stated that the United States is willing to atone for its high tariff policy in the past by leading the way to freer international trade. The telegram from Nanking called attention to the fact that although the tariff schedules had been increased, the customs revenue during the past ten months of this year had fallen by more than a million dollars compared with the corresponding period of last year. The Nanking telegram ascribed part of the decrease in revenue to the extensive smuggling that has been going on. Both China and America are having the same experience. They both have engaged in the foolish game of killing the goose that laid the golden egg. In other words they have put into operation such huge tariffs that legitimate business has been hampered, while at the same time smuggling has been put at a premium and retaliation by other nations has either been invoked or is being invited. America's foreign trade has been so badly hit, partly because of the retaliatory measures that have inevitably been invoked against her, that America has now tardily decided to adopt a policy of lower tariffs in the hope that other nations will follow suit, and thus bring about the revival of international trade. The Western World has for centuries inveighed against the stupidity of the old Chinese regime in enforcing likin when goods were moved from one district to another. Yet with this example before them of how these taxes have hampered trade between the various districts, the various nations of the world, with the West in the lead, have adopted the same foolish policy as the various Chinese districts did, and with the same inevitable blighting results. In principle there is no difference between likin as levied by districts or customs duties as levied by sovereign countries. America, by common consent, has been the leader in putting up these tariff walls and is now about to take the lead in lowering them, hoping that the other nations will follow her lead.

China, being a country not nearly so highly developed industrially as America, has not suffered as much as America has as the result of these high duties, but some of China's tariff schedules are so framed as to cause considerable harm to China's main manufacturing industry—namely cotton—instead of helping it. Foolish as America's high tariff policy has been in many respects, America does not, generally speaking, place any duty whatever on primary raw products from abroad, except in such cases where they offer distinct competition to the home products. The principal raw product imported into China is cotton, on which China imposes a very considerable import duty. China imports most of this cotton from the United States. Japan also takes most of its foreign cotton supply from the United States, but there is this important difference between Japan's policy and China's policy: *Japan places no duty whatever on raw cotton imports.* This policy has helped to make Japan one of the principal cotton goods exporters of the world, and incidentally has made her the principal purchaser of America's export of cotton. Japan this year bought more American cotton that ever before, although America's cotton exports in general showed a decline. America is the largest silk buyer in the world. America imports this silk from two countries, Japan and China. America imposes no duty on silk, or on tea either.

The duties and other burdens placed upon China's cotton industry have become so heavy a burden that recently the Chinese cotton manufacturers threatened to "go on strike,"—in other words, to close down their mills entirely as a protest against these charges. Such a closing down will probably not take place but it is an undoubted fact that it would be a wise measure for the Chinese government to lighten the burdens on its cotton industry. China must undoubtedly suffer in its cotton goods export trade in competition with Japan under existing conditions. It is *apropos* in this connection to mention that one of the incidentals to America's change of heart in this matter of tariffs is that it will more and more adopt the policy of "reciprocity," that is, instead of having a general tariff applicable to the world in general, she will fall in line with most of the other countries of the world and charge higher duties from some countries than from others. When America looks around she finds that among the few countries in the world that imposes a duty on its raw cotton is China. As a consequence—in case China does not in the meantime either abolish the duty on cotton entirely or again reduce it to a nominal figure—America might be tempted to place a duty on China's raw silk and tea. However it is to be hoped that nothing of the sort will happen. Both America and China are among the countries that can profit by the following remarks made by Bernard Shaw in a recent interview:

> "We do not distribute our wealth at all; we throw it into the streets to be scrambled for by the strongest and greediest who will stoop to such scrambling, after handing the lion's share to professional robbers politely called owners. We cram our children with lies, and punish anyone who tries to enlighten them. Our remedies for the consequences of our folly are tariffs, inflation, wars, vivisections and inoculations, vengeances, violences, black magic."

Foreigners Leave Mongolia—Bandit Horde Terrorizing Districts

Evacuation of all missionaries and foreigners from a wide area in the Hattansuma section of Inner Mongolia may become imperative soon, due to the operations of a horde of bandits 1,000 strong, who are terrorizing the area. Mongol troops have clashed with the bandits, but suffered defeat with numerous casualties thus far. The Chahar provincial troops have not acted yet, leading to fears of Inner-Mongolian intervention by Japanese troops stationed in Dolonor.

The London Naval Skirmishes: Chief Point at Issue Is Japan's Position in Far East

THE fierce, even thought only verbal, naval battle that is now taking place in the London fog involves considerably more than new naval ratios for Japan, the United States, and Great Britain. In fact, agreement on naval ratios is the least important aspect of the skirmishes. Insofar as mere naval building is concerned, Japan could gracefully agree to a continuation of the present 5-5-3 ratio, and then get around it by establishing a navy for the "independent" state of Manchukuo at the ratio of two vessels to Japan's three—which would give Japan *de facto* equality with the United States and Great Britain. Nor should the significant fact be ignored that Japan in now engaged in building a navy for the Nanking Government right here in Shanghai, some 50 Japanese experts having been employed recently at the Kiangnan Dock.

But depending solely upon such tactics would be dangerous for Japan under present conditions, even though she may have to employ them as a last resort. For such defiance of the U.S. and Britain would most likely lead to a naval race in which Japan, with her extremely limited resources as compared to the U.S. and Britain, would be gravely handicapped. So a diplomatic settlement is first being sought, but the fact that Japan is capable, even though at great sacrifice, of defying any established naval ratios is one of her yet publicly unused bargaining points in the present parleys.

How much weight such a point would carry is, of course, dependent on other factors. Should, for example, the United States and Great Britian form a tacit anti-Japanese alliance, Nippon would, in American gangster language, be "put on the spot." Should the old Anglo-Japanese alliance be renewed, either outright or tacitly, Japan's situation would be extremely favorable except as conditioned by the terms of the alliance. In the absence of neither of these alternatives, her success depends primarily on how well she can play the United States and Great Britain against each other, and secondarily on the course of her relations with other powers indirectly involved, especially the USSR.

All this means in the final analysis that the chief issue in the naval skirmishes is Japan's position in the Orient,—which is history repeating itself, for that was also the chief issue in the Washington Conference of 1921-22 out of which came the Nine-Power Treaty and the present naval ratios of 5-5-3-1.75-1.75 for Great Britian, the United States, Japan, France and Italy respectively. During the six years prior to the opening of this conference, Japan had greatly extended her sway on the Asiatic mainland. She had seized the Tsingtao area of Shantung, made her notorious 21 Demands on China with the subsequent surrender of the Peking Government to many of them, and invaded a large area of Russia. She and the United States were the only countries which had emerged in a strengthened position from the world war. The other warring nations had lost considerable trade to both Japan and the United States, and all also owed the latter vast sums of money—which gave Washington an excellent bargaining point.

As result of the Washington Conference, Japan was forced to retreat from both Shantung and Russia, some of the gains from the 21 Demands were lost, the Anglo-Japanese alliance was ended, and the "Open Door" in China was sanctified by the Nine-Power Treaty. But 10 years later, Japan started seizing all of Manchuria in complete defiance of the Nine-Power Treaty, and later through the Shanghai agreement of May 5, 1932 and the Tangku truce of May 31, 1933, she succeeded in reducing China to a state of greater impotence than had been achieved in the 1915 treaties growing out of the 21 Demands. Also, Japan's *de facto* position in Shanghai had become as strong as it was before the Washington Conference. Only in Russia had she failed either to retrieve or extend her position of 1921.

In fact, except in relation to Russia, Japan's position is much stronger today, not only in China but in the world generally, than it was in 1921. She has all of Manchuria and a strangle-hold on North China. Unlike in 1921, there is no developing Chinese anti-imperialist movement to oppose her; no longer is there even a Chinese boycott of Japanese goods. In world trade, Japan is probably relatively better off than the United States. No longer are the European debts to the United States of any value in bargaining to the latter, for with the exception of insignifcant Finland, the European nations have simply quit paying and there appears to be no feasible way of making them renew payments. Since the debt situation was undoubtedly a very important factor in determining England's rupture of the Anglo-Japanese alliance on behalf of the United States, London is now free to consider a renewal of the alliance on the sole basis of her own imperialistic interests in the Far East or elsewhere.

But there also weaknesses on Japan's side. She has Manchuria, but has not yet been successful in pacifying it, nor has any nation save the comic-opera republic of San Salvador accorded *de jure* recognition of her status there. Further, all important countries excepting the USSR and the United States are bound by a League of Nations resolution not to recognize Manchukuo. Still further, Japan's ruthless trade war has hurt many nations, especially Great Britain. Also the rapid closing of the "Open Door" in Manchuria—as dramatically evidenced by the recent announcement of the Manchukuo Oil Monopoly,—and the growing Japanese hegemony in China Proper, constitute a threat to the extensive British and American interests in China.

Some of these weak points, however, can also be strong points in bargaining. By surrendering some of her ground in such matters as world trade and the "Open Door" in China, Japan might be able to gain *de jure* recognition of the bulk of her gains of recent years. Probably the Manchukuo Oil Monopoly was very deliberately designed as a bargaining point for the London parleys. The British Trade Mission to Manchuria, which assuredly has a semi-official status, indicates some definite move for an Anglo-Japanese understanding. Also, if the apparent assurance of a Soviet-Japanese settlement of the Chinese Eastern Railway issue materializes, it may involve an important *de jure* recognition of Tokyo's Manchurian conquest.

Probably, Japan had hoped to obtain some *de jure* settlement of the Manchurian situation prior to the beginning of the naval conference preliminaries, and a few months ago it looked as if China might be the first country to recognize Manchukuo. But whatever may be the progress of Japan's "duck diplomacy" in China, there is not at the moment any surface indication of its culmination in a *de jure* settlement. Direct settlement with China, of course, would probably be followed by direct settlement with important western countries; and likewise, a settlement with important western countries would most probably result in a settlement with China. And until there is a *de jure* settlement, this issue will overshadow the naval parleys even though Tokyo has officially decreed that political questions shall not be considered.

So far, the London talks have largely been Japan *versus* the United States. Great Britain has ostensibly sought to play the role of mediator, but there are indications that she is tending to side with Japan. Japan's slogan is "equality," with particular emphasis on equality in principle rather than in naval tonnage. And to some extent she is doubtless sincere, for more important to her than naval tonnage equal to the United States is recognition of her "Asiatic Monroe Doctrine" as a counterpart to America's Monroe Doctrine. But America's answer so far is an emphatic "no" combined with obviously officially inspired stories of plans for intensive fortification of Dutch Harbor in Alaska, Pearl Harbor in Hawaii, Corregidor in the Philippine Islands, and Samao,—which if carried out, would seriously menace Japan in the Pacific and be a standing challenge to her position in the Far East. Further, the United States has issued a veiled ultimatum to Japan (according a *Rengo* dispatch from London on October 30) to the effect that Washington "sees no prospect for the conclusion of a new naval treaty *after 1936*." This means, in plainer English, that Washington desires definitely to curb Japan *now* before she is able to strengthen her present position. If no treaty is signed next year, the United States will enter a naval race with Japan with possibly far-reaching consequences.

It would be both foolish and futile to attempt to predict the ultimate results of the present London talks. The so far not definitely revealed attitude of Great Britain is, however, a paramount factor.

In conclusion, four other factors may also be presented:

1. Japan, like any other nation under similar circumstances, is undoubtedly asking for more than she expects. It is only logical that she would be willing to compromise on some points, but she has gone so far in Manchuria that she could not afford to retreat materially there, although she probably would be willing to give guarantees (even though they would not be worth much) of continuation of the "Open Door" in that area. But she could not be dislodged from Manchuria as she was from Shantung in 1922, for within the past few years she has definitely staked her imperial destiny on the Manchurian conquest. It is now, indeed, the "life-line" of her Empire. On the other hand, her ever extending hegemony in China proper is still not so far advanced that she could not be somewhat halted by determined pacific means.

2. Japan's current demand for "equality" is only continuation in a new form of her unsuccessful demand for insertion of a racial equality clause in the Versailles Peace Treaty of 1919. Refusal of western powers to grant this demand has furnished Japan with her chief excuse for seeking an exclusive hegemony over the Orient.

3. In allowing Japan to pursue her conquest of Manchuria without any real attempt to halt her, all western nations—including the United States—have given Tokyo very logical reason to demand an increase in the naval ratio, for if Japan was entitled to a 5-5-3 ratio without Manchuria, she would certainly be entitled to not less than a 5-5-4 ratio in order to protect it.

4. Finally, Yardley's revelations regarding the 1921-22 conference must not be forgotten in connection with the present parleys. Mr. Yardley it will be recalled, recounted in his book entitled "The American Black Chamber" how he deciphered Tokyo's code instructions to the Japanese delegates in Washington and thereby learned that they were to insist on a 5-5-3.5 ratio, but if they could not get that, they were to agree at the last moment to a 5-5-3 ratio. With such information in his possession, Charles Evans Hughes, then American Secretary of State and now Chief Justice of the United States Supreme Court, had no difficulty in establishing the 5-5-3 ratio! And were the Japanese indignant when Yardley's revelations were published almost 10 years later!

W.B.

Chinese Post Office Reports Show Improved Financial Condition

For the first time in many years, a close balance of accounts was recorded by the Chinese Post Office, according to a report from Kuo Hsin-sung, Director-general of Communications.

The total receipts for 1933, according to the report, amount to more than $33,300,000, while the total expenditures amount to somewhere around $33,400,000. The improvement in Post Office finances is clearly shown by a comparison with accounts for the previous few years. The total receipts for 1931 were $33,000,000, against a total expenditure of $40,000,000; the total receipts for 1932, $31,000,000 against a total expenditure of $37,000,000.

Sixteen Years After

BY GEO. W. MISSEMER

SIXTEEN years ago—to be exact, on November 11, 1918—the armistice was signed which silenced the guns of the contending forces in the most stupendous conflict that mankind ever engaged in. It is observed annually throughout the world as Armistice Day. Here in Shanghai there will be a ceremony of laying of wreaths on the war memorial at 9.30 a.m., Sunday, November 11, and also services in the churches. On the previous evening at 8.15 a dinner will be given jointly by British and French ex-service men at the French Club. At 9.15 p.m. November 12, the annual concert of the United Service Associations will be held in the Lyceum Theater.

It is now twenty years since the Great War started and the interest in it as a military event is gradually waning, but there should be no waning of interest in the study of the causes which led up to it. Undoubtedly one of the main causes that brought on the war was the emphasis that was put on nationalism. Now, two decades, later, it is a sad fact to contemplate that the various nations of the world are placing even more emphasis on nationalism than ever before—none more so than the three (Germany, Austria and Turkey) that went down to defeat.

Charlie Chaplin on Patriotism

Charlie Chaplin is best known to the world as a humorist, but he made a remark on visiting his native London several years back that may go down in history with the famous dictum of Dr. Samuel Johnson, "Patriotism is the last refuge of a scoundrel." Chaplin said, "Patriotism is one of the most foolish things that mankind has ever invented." Without wishing unreservedly to endorse either of these two ideas, the writer nevertheless feels that they give occasion for serious thought. No place in the world offers better facilities for studying the international point of view than Shanghai does, as here many nationalities, including the Chinese, live and work together without, as a usual rule, worrying about the subject of nationality at all. There have, for instance, been cases of Americans working for British concerns, and vice versa, Britons working for American concerns, without the respective parties having become aware of the difference in nationalities until six months or a year after the relation of employer and employee had begun.

Germans Push British Trade

The relations which existed before the World War between German merchants in China and Manchester piece-goods houses were most happy. The present generation probably doesn't realize how great a part German merchants in China took in boosting the Manchester piece goods business, which they in many cases handled to better advantage than competing British agents did. These German agents and British principals worked together without paying attention to the matter of nationality.

It has been frequently stated that one of the principal causes of the world war was the fact that the Germans were encroaching on British trade. But so far as many German houses in China were concerned there were actually busily engaged in extending British trade. One of the revelations of those who had opportunities to see things from the inside at Tsingtao after the Germans were ousted from it was that the strawbraid which the German houses exported in large quantities from Shantung was to a great extent destined for England, the principal buyers being located in Luton, just a short distance from London, where England's straw hat industry is concentrated.

Kittens and Biscuits

Taking up another line of thought, a reference will first be made to the Irishman's remark, "If a cat has kittens in an oven they won't be biscuits." Judging from the examples that one runs across here in Shanghai many an individual has been treated after his birth as if he were a biscuit. The World War caused some wonderful metamorphoses, and the amazing fact is that so few people in the world realize the extent to which this has occurred. Several examples with a Shanghai angle will illutrate the point. There is located in the French Concession of Shanghai a fairly large contingent of French troops. Among them is a considerable sprinkling of Alsatians. As such they were brought up on the Alsatian brand of the German language, and of course were German citizens at their birth. The flag over their heads was changed by events in which they took no part—they were too young at the time. When their mothers write them they do so in the German Alsatian language, as they know no French. These German-born French soldiers are loyal to their new allegiance—there is no doubt on that point. But when one speaks privately to them one finds that their real sentiments are somewhat similar to those of the negro slaves in ante-bellum days in the United States who were shifted from one master to another. A traveller speaking German relates that on a trip from Beyreut to Marseilles on a French ship he found a group of Alsatians in the French army. They spoke their own dialect. When the traveller asked them if their French officers liked it when they spoke this German dialect, one of them quite independently replied, "Well, if they don't, let them learn it as we have to learn French." What the Alsatians would really like to have is their *freedom*—free from either French or German domination, somewhat on the lines of the Swiss Republic—instead of being made the football of two contending nations, as they have been at various times during the past centuries.

When the Flag Is Changed

Here is another example of nationality shifting, a quite interesting one. On one of the Italian boats coming into Shanghai there is a rather important individual. We won't mention his position as there is no reason to cause him any embarrassment. A Shanghai resident speaking several languages accosted him in English in his little *atelier* on board ship when it called here recently. The interviewer was surpised to hear the man answer in German. The natural query arose as to how a man holding a fairly important position on an Italian ship should be speaking German. But the answer was very simple. He was a native of Trieste. Born an Austrian—the Austrians and Germans speak as nearly alike as do Englishmen and Americans—the fortunes of War had made an Italian out of him. But that didn't change the fact that he was more at home with the language of the flag under which he was born than that of the new one under which he earned his living. The other day a "Russian" officer walked into *The Review* office. He had seen long service in the World War under the Russian flag. In the course of the interview the matter of his passport came up, and when he produced it, behold it was Rumanian passport. The explanation was quite a simple one. He was born in Bessarabia—which by the fortunes of war was taken from Russia and given to Rumania. The result is that our "Russian" friend owes allegiance to a flag and is recognized as the citizen of a country, not a dozen words of whose language he can understand. To all intents and purposes he is still a Russian, as he has always been. At least one old resident of Shanghai was transformed by the war from an Austrian into a Czechoslavakian. Several Greeks here have been transformed into Turks. One German has found himself transformed into a ward of the League of Nations, unable to prove any nationality whatever.

Chinese Become "Manchurians"

The most recent example, of course, of people's nationality, at least ostensibly, having been changed by the fortunes of "war" has been as a result of Japan's onslaught on the Far Eastern provinces three years ago. Thereby a new "nationality" has been created—at least in the minds of the Japanese—namely "Manchurians." The Chinese living north of Shanhaikwan are always so described in the Japanese telegrams. The question of their nationality, however, seldom crops up. For all practical purposes they are Chinese. Nobody understands that better than the Japanese themselves, no matter that they put into their press messages. "Manchurians" travelling between the region north of Shanhaikwan to Shanghai or any other Chinese city are not asked to produce papers of identity, nor are Chinese proceeding to Manchuria asked to do so, among other reasons because the Chinese and Japanese have long since had a reciprocal arrangement that their respective citizens and subjects should freely enter each others' ports without carrying passports. That free and easy relation is, however, changed as soon as either Japanese or Chinese remain in the other's domain for an extended period.

"Japanese" and "Mexicans" as Americans

America, by annexing Hawaii, made full-fledged citizens out of the inhabitants there. As a matter of fact more than one-third of the "Americans" in the Hawaaian Islands are of Japanese race stock. The proportion of Japanese stock is increasing yearly. As the result of the Spanish-American war, America annexed Port Rico outright and made Americans out of the Spanish-speaking residents of that island. The Filipinos were put on a different status, and were only protected as American protégés—but without being made citizens. The Filipinos, never having shown any desire to become full-fledged Americans, have now been given the opportunity of gradually withdrawing from under the protection of the American flag entirely. When the United States took a huge empire from Mexico as the result of the Mexican war, it created a peculiar situation. The visitor through such states as Arizona and New Mexico will see what he takes to be "Mexicans" on all sides. On talking to them one finds that a very large proportion of them have never been in Mexico, but are full fledged American citizens by right of birth, descendants of the original inhabitants when the land they occupied was placed under the American flag.

American Law on Marriage and Nationality

But America's contribution to complicating the question of nationality has mostly been brought about by its laws, and not by its wars. The reference here is to the American law on nationality as affected by marriage. America's action in putting this law into effect had in view the very commendable principle that a woman has equal rights with a man—even though married. But this law has greatly complicated matters for American women who marry men of other nationalities and also for women of other nationalities who marry American men. Those Americans of both sexes—particularly those who are affected by the American laws on this matter feel that, as in the case of the Prohibition laws, the United States has acted somewhat precipitately, and that it would have been much better to have deferred the enactment of this legislation until agreement had been reached with the leading nations of the world to follow suit. Had this been done much of the incidental complications that have been caused would have been avoided.

It is here in China, particularly, that the existing American law as it effects marriage causes confusion, because of the incidental issue of extraterritoriality. An American woman who marries a man of another country —except Britain which recently changed its laws so as to meet this situation—still remains American by the laws of her own country, but at the same time she also acquires the nationality of her husband, so that she is legally entitled to the protection of two countries. On the other hand a "foreign" woman who marries an American automatically loses her former nationality and at the same time does not acquire American nationality, so that she is literally a woman without a country. There is told the story of an American in Shanghai who proposed to a French woman, being met with the following reply: "I am quite willing to be your *mistress* as in such case I still remain French; but if I became your *wife* I will just be plain 'nothing.'" A "foreign" women who marries an American has, of course, a contingent opportunity to eventually becoming an American citizen on what might be described as "bargain" terms. But the American procedure is in many respects humiliating. If the "foreign" woman accompanies her husband to the United States as an ordinary traveler she will probably be "run out of" the country after six months even though she is the wife of an American citizen. Nor could her American husband do much to save her from being so treated as the petition form to the U. S. Department of Labor, whose approval is required to allow a woman in this position to stay permanently in the United States, **expressly stipulates that the application cannot be made on behalf of a person already in the country.** Several years ago there was to be witnessed the amazing spectacle of the American government giving notice to an American-born woman (who was for several years engaged in newspaper work in Shanghai) who had married an Englishman before the present law went into effect, to leave the United States on the ground that she was an "alien," as the six months of grace having expired. This incident has nothing to do with the law now in force but is cited here by way of contrast. The American who has taken unto himself a Chinese or Japanese wife finds himself practically in the predicament of chosing between his country and his wife. The American who tries to bring his Oriental wife to the United States to reside permanently finds it as difficult an operation as to get a camel through the eye of a needle. Naturally she can never become an American citizen as the American law expressly stipulates that an Oriental can not be naturalized.

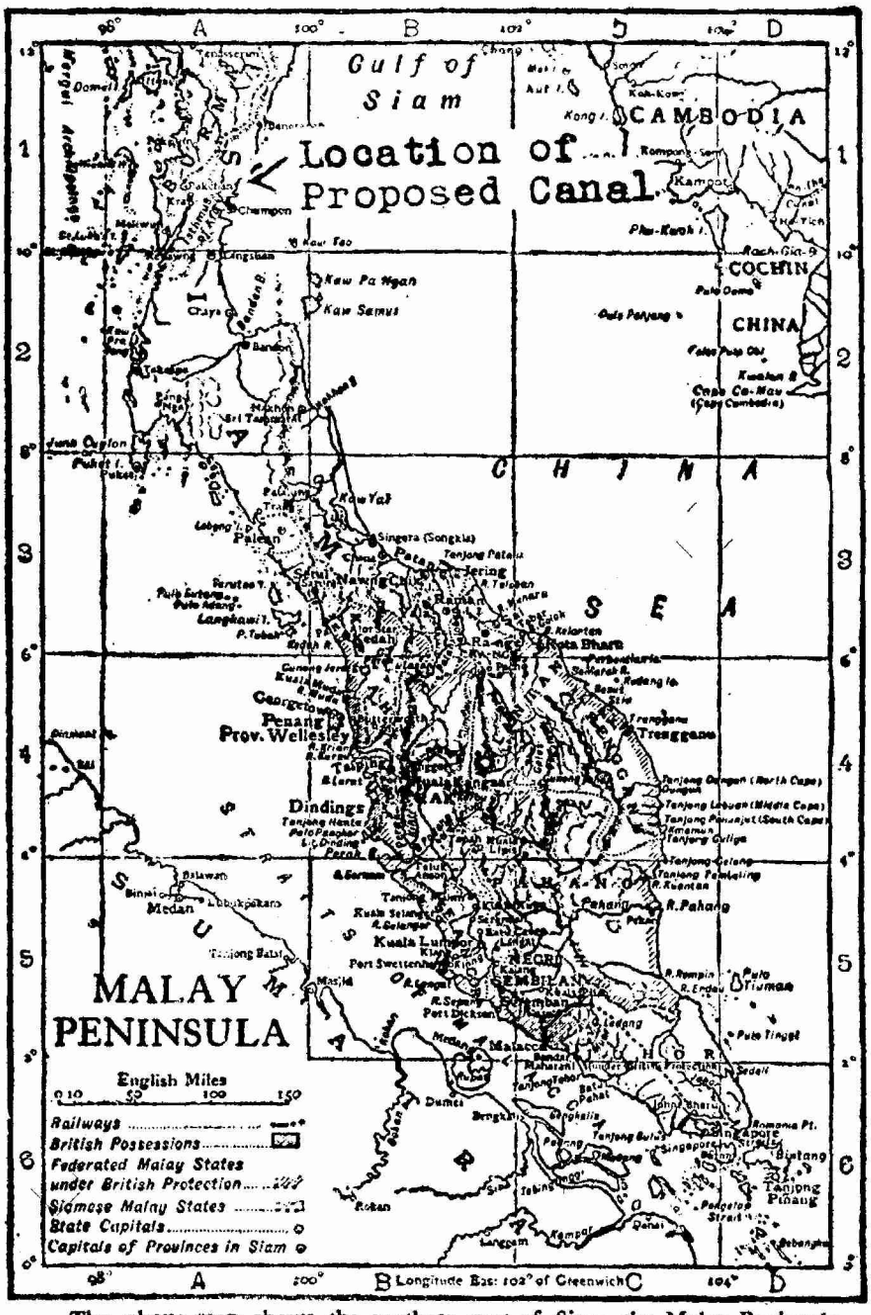
America Still the Land of the Free

Of such stuff are the immigration laws of the country which displays in the harbor of its principal city the Statue of Liberty, placed with its back to the land, and which, according to the legend on it, has the mission of "enlightening the world." America is still the Land of the Free, freer by far than any other country in the world, except perhaps England (as distinguished from the British Empire as a whole), but there is still much to be accomplished to have it live up to the assertion in the preamble to the Declaration of Independence that "all men are created equal." However, hardly any American, even in these times of travail, seriously suggests that America should follow in the footsteps of any country in Europe, whether it be Fascist Italy; Socialist Russia or Svastika-ruled Germany. Despite all his troubles, the President of the United States merely continues to smile when his political enemies oppose him; he does not either imprison them in filthy jails or shoot them wholesale without trial, as is done in some countries. Nor does he execute, as they do in at least one country, the opponents of his "New Deal," which, as compared with traditional American ideas, is almost revolutionary. It is high time, nevertheless that the nations of what we are pleased to call the West—and included among them is America—who occupy one half of this little speck of matter in the great Universe called the Earth, should realize that the smug assumption that we are of a superior quality than those who live on the other half—whom we choose to regard as inferior because they are "Orientals"—is being seriously challenged, and must eventually be abandoned.

Britain Is Perturbed by Japan's Plans for a Canal Across the Kra Isthmus (Siam)

WHEN reference was made last week in these columns in connection with the news from Siam that "some years hence" the big news from that region would be that the Japanese would "set the necessary political and financial machinery in motion" to dig a canal across the Peninsula, we were not aware that at that very moment the matter of this Japanese participation in the digging of a canal across the Kra Peninsula was being discussed in the British House of Commons. It is now clear that three matters which developed during the past few weeks are all more or less related to this matter of a canal being dug across the Kra Peninsula. The first is the fact that the King of Siam, who apparently has made his permanent home in England, has resigned or at least threatened to resign, because of a dispute regarding the throne's prerogative. The second is that there has been a dispute as to the succession to the sultanate of one of the Malay States, lying just to the south of Siam. It is to be remembered that Britain has for many years exercised a sort of suzerainty over the Malay states, part of which are known as "federated," and part as "unfederated." The third is the report that a Siamese prince is entering a Japanese college.

THE NEW REGION FOR JAPANESE INVESTMENT



The above map shows the southern part of Siam, the Malay Peninsula, and the surrounding territory. The approximate site of the proposed canal is marked by an arrow. It will connect the China Sea with the upper portion of the Kra river. The Kra river forms the boundary line between the southern part of Burma and Siam. The Canal, when completed, will entirely nullify the value of the fortifications at Singapore. Ships from the Far East to Europe and India must, under existing conditions, pass through the Malacca Straits, the control of which is firmly in British hands. The facilities of the Kra Canal will shorten the passage of boats from East to West by from three to five days, depending on the speed of the ships.

The Tokyo *Asahi* of Oct. 29 said the Japanese authorities are watching the Siamese situation very closely, as Siam is a Far Eastern nation that is especially friendly to Japan. The Japanese are watching very closely because of information received in official quarters —the *Asahi* does not indicate what they are—that a certain foreign Power is involved, a Power that looks to be very much like Great Britain. The information is summarized as follows:

> "Considering the source of the first report about the intention of the King to resign, it is possible to conjecture that a certain country is at the bottom of the plot. In the several revolutions that have taken place in Siam in recent years the trend toward fundamental political organization has been intensified, and opinion has gained strength that Siam in order to free itself from the virtual rule of a certain foreign Power, should join hands with a certain country in the Far East. The certain foreign country, perceiving this situation, has sent to Siam as its Minister a diplomat known for his shrewdness, and he is now trying to check the movement for political reform."

The French *Havas* service (which very promptly reports any event which affects either Britain's or America's prestige) brought the news that on November 2 a debate took place in the House of Commons in connection with the sultanate of Perak. Certain members of the House were quoted as saying

that inquietude had been caused in England by Japan's diplomacy in Siam and Malaysia in connection with the project for the construction of a canal traversing the Kra Peninsula and which would open communication between the Indian Ocean and the China Sea. A Conservative member, Mr. Reid, who had recently visited that region, made the following notable statement:

> **"The project for the construction of a canal by the Siamese merits being discussed because it has been proposed that the Japanese lend their financial aid for the construction of the canal. The realization of this project would have profound influence on our strategic position in the Malay Peninsula. Let us not forget that the piercing of the Panama Canal had a great naval and strategic importance in the western world."**

So, we have a situation which has certain resemblances to that which has developed in Manchuria. There is no suggestion here that Japan intends to march troops into the Kra Peninsula as it did into Mukden three years ago. But there is the suggestion that Japan's *political attitude* with reference to matters as they develop in Siam, particularly in connection with this canal project, will be identical with those employed *vis-a-vis* Manchukuo. The Siamese, as such, have no impelling motive for the piercing of the Kra Peninsula although they will undoubtedly share in the benefits. The Japanese however, have such an impelling motive, and the external evidence is that Japanese agents are continually "egging on" the Siamese and shaping a policy for them in connection with this canal project. Then, when the psychological moment for the *denouement* comes, the situation, following the Manchukuo precedent, will in all likelihood be presented by Japan to Britain along the following lines: "Oh, yes, we have lent a certain amount of money to Siam to construct a canal across the Kra Peninsula, and we naturally would be glad to see such a canal built, and, seeing that we have put our money into it, we would not like to see anything done to lessen the value of such a project. However, any objection, you (Britain) may have to the construction of this canal should be addressed to Siam, which is an independent country, and not to us."

In this canal matter, Siam will probably be just as much of a puppet in Japan's hands as is Manchukuo. How well Britain's secret service is working in connection with this Kra Canal matter the outside public has no means of knowing, but unless it is operating with a great deal more efficiency than that of Britain or the United States was operating prior to the Mukden incident, it may be taken for granted that one fine day there will be a surprise sprung by Japan in connection with this canal matter which will have reverbrations throughout the world just as important as were those caused by Japan's descent on Mukden three years ago. Had either Britain or America's secret service been acting with anyways near the efficiency that the Japanese secret service does, the Mukden incident would in all probability never have occurred. But faced with an accomplished fact the Western world made no effective move. Had the Western powers had an inkling beforehand of what the Japanese were about to do, they could easily have taken counter-measures which would in all likelihood have put a damper on the Mukden raid. A little incident that occurred a short while after the capture of Mukden is now seldom referred to, namely, that for two days, *on the Emperor's orders*, the Japanese troops were being rapidly withdrawn within the railway zone. Then when it was apparent to the Japanese that whatever they had feared did not develop, they calmly kept on with the subjugation of the whole country.

The rise of Japanese influence in Siam is naturally viewed with great concern in Britain, for reasons which cannot be better explained than by quoting the following paragraph from the *Encyclopedia Britannica:* "Negotiations continued all through 1908 and resulted in a treaty, signed and ratified in 1909, by which Siam ceded to Britain her suzerain rights over the dependencies of Kedah, Kelantan, Trenggau and Perlis, Malay states situated in southern Siam just north of British Malaya, containing in all about a million inhabitants, and for the most part flourishing and wealthy.... This treaty, a costly one, to Siam...."

With this background the Siamese are naturally looking forward to the time when they can get these territories back into their own hands again.

Chinese Customs Income Drops as Smuggling Increases

In order to increase customs receipts, the Ministry of Finance is considering methods of curbing smuggling activities. Smuggling of goods, especially sugar, artificial silk, and imported ornaments, it was pointed out by a spokesman of the ministry, has been responsible for the decrease of customs revenue this year, in comparison with that of last year.

Customs revenue should have been increased since the ministry revised the tariff schedules, yet the spokesman stated, customs revenue during the past ten months of this year has fallen by more than a million dollars, when compared with figures for the corresponding period of the last year.

Quoting exact figures, the spokesman revealed that customs revenue, during the first ten months of this year, was placed at $216,000,000 whereas last year, for the corresponding period, the revenue was $217,000,000.

New Adultery Law Criticized by Nanking Feminist Organizations

The provisions of the revised Criminal Code regarding moral laxity have aroused the ire of Nanking feminist organizations.

They point out with indignation that whereas under Article 239 of the revised code a married woman, when found guilty of adultery, is punishable by imprisonment of not more than one year, similar provision is not made regarding the same offence when committed by married men. This is considered a grave contravention of Kuomintang principles and the Provisional Constitution which provides for equality of sex before the law.

Fantastic Tale of Szechuen Mines

The Ministry of Mines is investigating a fantastic story of "the richest gold field in the world" supposed to be situated in Chuan Pien, Western Szechuen, and extolled in glowing terms in a Chinese booklet.

The Government enquiry, which is being conducted simultaneously with an investigation by the Shanghai Municipal Police, was prompted by an application to the Ministry for mining rights in the region, submitted by alleged supporters of the scheme. The application was accompanied by the filing of copies of the extraordinary booklet with Government organs.

General Chiang Kai-shek Continues Inspection of Northwest; More Red Strongholds in Fukien Captured

High Lights in the Events of the Week:

1. **General Chiang Kai-shek Arrives at Kweihua**
2. **Chinese Volunteers and Japanese Clash on Korean Border**
3. **Japanese Imports into China Increase Considerably**
4. **More Red Cities in Fukien Captured by Government Forces**
5. **Nanking Appropriates Funds for Kiangsi Relief**
6. **Attempted Invasion of Kwangtung by Reds Thwarted**
7. **Kwangtung Faces Huge Deficit of $13 Millions**
8. **Wang Ching-wei Sees Early End of Red Menace**
9. **Nanking Cables Payment of 1908 Anglo-French Loan**
10. **China Places Huge Order of Rail Equipment with England**

General Chiang Kai-shek and party arrived at Kweihua, provincial capital of Suiyuan, from Kalgan evening Nov. 6. by train. They stopped en route at Tatung and Yunkang and visited the scenic spots in both places. At Pingtichuan, they were met by General Fu Tso-yi, Chairman of Suiyuau and accompanied by him to Kweihua. After inspecting conditions in Suiyuan, General Chiang will proceed to Shansi by airplane for the same purpose.

Prior to his departure for Suiyuan, General Chiang ordered an appropriation of $100,000 to the Chahar Provincial Government for the development of the various reconstruction and educational projects in the province. Of the sum, $30,000 are to be used for the development of forestry, $40,000 for the promotion of mass education, $20,000 for the expansion of the Cattle Raising School at Changpei and the remaining $10,000 as a grant to the garrison forces of Kalgan.

In view of the visit of General Chiang Kai-shek to Suiyuan, the various Mogolian leaders including Princes Yun and Teh, Chairman and vice-Chairman of the Mongolian Political Council, are converging on Kweihua, to meet the Generalissimo. It is understood that the Mongolian leaders have telegraphed to General Chiang, inviting him to pay a visit to Pailingmiao and inspect conditions in the various Mongolian Leagues, but in view of lack of time and the pressure of his duties in Kiangsi, it is not known whether he would be able to accept the invitation.

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Continuing his inspection of the Northwest, General Chiang Kai-shek left Peiping by train for Kalgan at 1:55 p.m. Nov. 3, accompanied by Madame Chiang Kai-shek, W. H. Donald, the Generalissimo's Chinese staff and General Sung Cheh-yuan, governor of Suiyuan. After a brief stay in Kalgan to inspect local conditions, the Generalissimo will proceed to Suiyuan for the same purpose. From there it is considered probable that he will proceed by plane to Shansi where he is likely to see General Yen Hsi-shen, Pacification Commissioner of Shansi.

Breaking his journey at Nankow, strategic pass of the Great Wall along the Hopei-Charhar border, General Chiang Kai-shek visited the Ming Tombs there afternoon Nov. 3. He arrived at Kalgan evening Nov. 4 and was given an enthusiastic reception by a large gathering headed by General Sun Chi-yuan. Following arrival, General Chiang made a motor car trip in the afternoon to Changpei, north of Kalgan and was much interested in the cattle raising work there.

Prior to his departure westwards, General Chiang was entertained at a dinner given in his honor by General Huang Fu Nov. 1. Responding to a toast, General Chiang said that the chief purpose of his visit to Peiping was to undergo a physical examination and he was very grateful for the interest the public had evinced in his health. Among the most interesting guests was Marshal Wu Pei-fu, China's great poet-soldier, who sat next to the Generalissimo. It is believed that this was the first meeting of the two notables.

During an informal chat with foreign newspaper correspondents Oct. 31 at Peiping, Mme. Chiang Kai-shek spoke with pleasure of the aerial tour of the northwest which she, her husband, and Marshal Chang Hsueh-liang recently made. Among the faults of the past, she asserted, was the gulf between the leaders of the country and the people, and it was intended to make many more such tours in future. Mme. Chiang said she felt that China's greatest hope was the New Life movement, which had been launched with the object of preserving all the best of China's ancient culture and blending with it those parts of Western culture which China needed. The co-operation of foreign missionaries was being enlisted, because they were close to the people and able to help the Government. A start had been made in the places they had visited by attacking the chief local evils—the opium habit in one centre, foot-binding in another, trachoma in a third. Under the stimulus of the New Life movement, Mme. Chiang predicted that China would have every chance of becoming the greatest nation in the world within ten years, given a period of peace and prosperity, which, she felt, was now assured. Once China regained her eminence, she would be able to contribute to the welfare of the world and make a very valuable spiritual contribution. Questioned concerning the Generalissimo's conception of the best form of government for China, Mme. Chiang smilingly dismissed the suggestion that he was trying to emulate Herr Hitler or Signor Mussolini, and quoted an old Chinese parable to support her assertion that what was suitable for one country was not necessarily suitable for another.

To facilitate communication between Inner Mongolia and other parts of the country, a powerful radio station will shortly be constructed at Pailingmiao, seat of the Mongolian Political Council in Suiyuan province. The station, when completed, will be able to communicate directly with Peiping and Nanking. Preparations for the installation of the Station are being made by the Ministry of Communications and it is expected work on the project will soon be started. A number of radio engineers from the Ministry have arrived at Pailingmiao to supervise the intsallation work.

Chinese Volunteers and Japanese Clash

As a result of renewed activities of the volunteers, the Antung-Chilan Section on the Liaoning-Korea border has been the scene of sporadic clashes between the volunteers and Japanese troops during the past few days, according to information received at Tientsin Nov. 5. A series of serious clashes was stated to have broken out resulting in heavy casualties on both sides. Fearing that clashes would lead to uprisings elsewhere the Japanese military have rushed reinforcements to the region.

Reports from Manchuria state that a large group of Anti-Japanese Volunteers in eastern Manchuria, under the leadership of Miao Ke-hsiu, was killed by a Japanese force on Oct. 27. Miao was also killed during the fighting. It is stated that this Volunteer army has caused considerable trouble to the Japanese in Manchuria during the last few months.

New Railway in Manchukuo Completed

A new railway linking Tsitsihar and Heiho in Heilungkiang province, which is expected to play an important part in the event of a Russo-Japanese War, has been completed and regular service will start on November 15, according to messages received at Tientsin Nov. 1.

Twenty-three so-called Currency Co-operative Societies have been established by Japanese interests in the leading cities in the Three North-eastern Provinces, according to message received at Peiping Oct. 31. The directors and heads of these societies are all Japanese. It is stated that the Japanese are making every effort to control the currency in Manchuria.

Koreans Selling Drugs in Changli

There are 89 shops and stores, owned and operated by Koreans in Changli, Hopei province, selling opium and other narcotic drugs, according to a recent survey. One of these shops is reported to have a daily business of $3,000. There are also a dozen gambling dens operated by Koreans in Changli.

"Manchukuo" Bank Notes Circulated in Shanhaikwan

A large quantity of bank notes issued by the "Manchukuo" government is being circulated in the walled city of Shanhaikuan and is causing considerable difficulty to the Chinese merchants and other businessmen.

Owing to the difficulty in settling the various problems affecting the area along the Great Wall, the director of the Shanhaikuan Bureau of Public Safety has engaged a Japanese adviser. The salary, including travelling expenses, for this adviser is fixed at $200 monthly.

Japanese Imports into China Increase Greatly

Japanese imports into China during the past ten months is steadily increasing in spite of the depression, and is far ahead of the imports from the United States and England. According to information from Japanese sources, products from Japan imported into China through the port of Shanghai alone reached the alarming figures of 25,000 tons. This marks an increase of 5,000 tons over September. The import figures for the previous months are as follows: January, 12,000 tons, February, 15,000 tons, March and April, each averaged 17,000 tons, May, 20,000 tons, June and July, each 15,000, August, 22,000 tons and September 25,000 tons. In September products valued at $78,120,000 were imported into China from the United States, representing a drop of $11,720,000 over a same period in 1933. England exported to China in September goods valued at $10,520,000, indicating a drop of $3,000,000 over a corresponding period of last year. Japanese imports into China for the month of September totalled $12,196,000, which is an increase of $3,500,000 over the same month of 1933.

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After a long absence, General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, returned to Taiyuan from Hopientsun, Wutai, his native place, Nov. 2.

Specific charges against Yi Pei-chi, former Director of the Peiping Palace Museum, and eight of his accomplices, including Li Tsung-tung and Hsiao Yu have been filed by the Public Prosecutor of the Peiping District Court. Mr. Yi and his accomplices are charged with illegal possession, forgery, breach of trust and dereliction of duty. These charges are based on their alleged irregularities in connection with the disposal of the treasures of the Peiping Palace Museum, corruption and official dereliction during their service in the new defunct Ministry of Agriculture and Mining.

The Cheng-Tai Railway, running between Chengting (Shihchiachwang) on the Peiping-Hankow line, and Taiyuanfu, capital of Shansi, has made satisfactory progress during the two years since the railway has been entirely under Chinese administration, according to Wang Mu-kung, managing-director of the Railway. During the lsat two years the annual net profit of the railway totalled $600,000. The Cheng-Tai Railway, a narrow-gauge line, was constructed some 30 years ago and was jointly owned and operated by Chinese and French interests until 1932. Mr. Wang stated that the chief products carried over the line were cotton, coal and foodstuffs.

The Reconstruction Department of the Hopei Provial Government has appropriated a sum of $30,000 for the construction of a new radio broadcasting station at Tientsin to better facilitate communication with other parts of the country. Work on the station is expected to be stated immediately and is scheduled to be completed within a period of 6 months.

Construction Work on the Hydraulic Engineering Experimental Institute at Tientsin, the first of its kind in the country, will be completed this month learnt. The Board of Directors is now arranging for the purchase of machinery and equipment.

Lanchow-Paotou Air Service Successful

The first regular air service between Patou, (Suiyuan,) and Lanchow (Kansu,) was successfully inaugurated November 1. The plane took off at 12:30 from Lanchow, arriving in Ninghsia two hours later. The plane hopped off again at threq o'clock landing at Paotou at 5:20 p.m. Planes will leave Lanchow every Thursday and from Paotou every Friday.

Direct train service on the Lung-Hai Railway between Hsuchow, north-western Kiangsu, and Lintung, 50 li (17 miles) east of Sian, provincial capital of Shensi, was started November 1. At present, one express will be operated daily.

By order of General Chiang Kai-shek, the N. E. C. has decided to remit part of the highway construction funds for the projected Hanchong-Peiho Highway across the southern part of Shensi provinnce. Engineering work will be started as soon as the survey work, now being conducted under the direction of Mr. Wu Pi-chih, Chief Engineer, is completed.

Sian to Improve Public Streets

An extensive program to widen and straighten the existing streets and to build new ones in the ancient city of Sian, provincial capital of Shensi, has been started. The work is expected to be completed by the end of February 1935. Three hundred workmen are working on the project.

The difficult educational situation in Chinghai (Kokonor) was revealed in an interview Oct. 31 by Yang Hsi-yao, Commissioner of Education for Chinghai, who is now visiting Nanking. Out of a total population of one million in Chinghai, he said, there are now over 30,000 students. Of the meagre annual provincial income of $1 million, $90,000 is employed for educational purposes. Throughout the province, he continued, there are 580 schools, including 3 normal schools, 2 vocational schools, 3 ordinary middle school (consisting of both the higher and the lower primary grades), and 500 lower primary schools. In each of the 15 districts (hsien) comprising Chinghai province, there are about 10 to 20 schools. There are two public libraries in Chinghai, one of which has received a gift of $10,000 from Tai Chi-tao, President of the Examination Yuan.

Changting Captured by Government Forces

Changting, for years an impenetrable stronghold of the "Reds" in Western Fukien, is now in Government hands. The city was recovered by units of the 4th Column under General Li Yen-nien sattached to the Eastern Route Bandit-suppression Forces at 11 a.m. November 1, according to an official communique issued by the Nanchang Military Headquarters.

Following the official confirmation of the capture of the city, the Nanchang Military Headquarters decided November 2 to appropriate a sum of $20,000 for the urgennt relief of the city which has been remitted to the Fukien Provincial Government.

Kucheng, another Red base on the Fukien-Kiangsi border, has been recovered by the Government troops. The city fell on the 4th inst., after a vigorous onslaught. The vanguards of the Eastern Route Bandit-suppression Forces, which are responsible for the capture of the city, are continuing their advance westwards into Kiangsi.

The Communists on the Fukien-Kiangsi border have decided to evacuate Laotsao, another Red stronghold, according to intelligence reports. The Communists retreating westwards from Changting following the fall of that city last week, are forcing all young men and women under forty in the surrounding districts to follow their armies.

Omnibus service on the new highway linking up Foochow with Mamoi, the Fukien coastal port, will be operated on the 11th inst. Survey work of all the roads in the suburbs of this city is nearing completion. Soldiers of the 87th Division will be put on the job of road-building. The highway between Kienyang and Shaowu, in northern Fukien, has also been completed and is expected to be opened to traffic shortly.

The total population of the city of Foochow is 390,273, of which 224,795 are males and 165,478 females. There are altogether 75,484 household..

A area of nearly square mile of sand sold has been discovered at Chinchi village under the jurisdiction of Nan-An District, south-eastern Fukien near the coast. An analysis of the sand reveals that it contains a large percentage of gold ingredients. It is understood that the Provincial Authorities have decided to take measures to mine the gold in the district.

$100,000 for Relief of Kiangsi Refugees

In view of the pitiable plight of the refugees in the newly recovered districts from the Communists in Kiangsi, the National Government has decided to appropriate a sum of $100,000 for urgent relief purposes. The money will be applied for the purchase of food supplies and winter clothes for the victims. The National Economic Council is understood to be also co-operating in this matter and has set aside a sum of $500,000 as the fund for small credit loans to the victimized peasants in the Red-devastated areas.

An arsenal, built and operated by Communists in the mountains of Anfu in Kiangsi, was raided and taken by Government troops October 30. One Red commander and his 20 followers were captured during the raid. A quantity of arms and ammunition, including machinery, were seized.

The main forces of the Kiangsi "Reds" who attempted to cross the Kan Kiang (River,) near Kanchow, in their flight westward to Szechuan to join the "Reds" in that province, have been severely defeated by the combined units of the Northern and Southern Bandit-suppression Forces under Generals Ku Chu-tung and Chen Chi-tang.

Reds Attempt to Move Into Hunan

The desperate attempt of the Communists in Kiangsi to penetrate into Kwangtung and make a drive towards Canton appears definitely to have been foiled. The Reds are moving away from the Kwangtung border and official reports confirm that they were heading for Hunan. It appears that the Red bands are making their inroad into Hunan in two directions. One column is marching towards Sungyi via Nankiang to move into Hunan and Kweichow. Another column is moving between Yucheng and Jenhua, also with the intention of invading Hunan. With many troops massed on the northern Kwangtung border, reinforced by fighting and bombing planes and tanks, the Kwangtung frontier is declared to be entirely safe and further attacks from the Reds are not expected.

New Power Plant for Nanchang Planned

In view of the several disastrous fires which occured in Nanchang in recent months, the Provincial Authorities are taking energetic measures to hasten the establishment of the projected Electricity and Waterworks for the city with the financial aid of the National Economic Council. T. L. Soong, General Manager of the China Development Finance Corporation, is now in Nanchang, making surveys of the site of the plant and perfecting preparations for its early establishment. The total cost of the project is estimated at $3, millions. Beside $800,000 from the Municipal Government and $500,000 from shares subscribed by merchants, it is learnt that the China Development Finance Corporation will contribute the balance of $1,700,000.

7-Province Highway Nearing Completion

Work on the seven inter-provincial highways connecting the provinces of Kiangsi, Chekiang, Anhui, Kwangtung, Hupeh, Hunan and Fukien is making rapid headway and is in the last stage of completion. The lines in Kwangtung Chekiang, Hunan and Kiangsi have already been completed and opened to traffic. Only those in Hupeh and Anhui are still under construction and authorities of the two provinces have received strict orders from the Nanchang Military Headquarters to complete them before the end of this month.

Omnibus service on the Tayao-Shangli section of the Kiangsi-Hunan Inter-Provincial Highway, along the Kiangsi-Hunan border, will be operated from the 11th inst. In accordance with the order of the National Economic Council, the Highway Bureau has despatched additional engineers to expedite work on the Taiho-Hingkuo, Luchang-Shihcheng and Kwangchang-Ningtu Highways, in south-eastern Kiangsi. By order of the Bureau, survey work on the road between Hsiungkow and Kulungkang, north of Hingkuo, must be completed within ten days.

General Liu Hsiang, Commander-in-Chief of the Szechuan Bandit-suppression Forces, returned to Chungking from Chengtu by airplane, October 30. He will shortly depart eastwards to Hankow to receive fresh instructions from General Chiang Kai-shek, President of the Military Affairs Commission.

Several thousand catties of rice belonging to the Szechuen provincial troops which are now stored away in the Kantien. Kwaichang and Sanhui districts have been ordered by General Liu Hsiang to be given to the refugees from the areas now occupied by the Communists.

The programme to restore peace and order in Szechuen province will call for the flotation of $70,000,000 of public bonds, according to information from a Szechuen official just arrived in Shanghai. This official is reported to be negotiating with local bankers and government authorities regarding the proposed bonds. These bonds will be secured on the salt revenue which is said to yield $13,000,000 annually. The bonds will be placed on the market as soon as final approval has been obtained from the Central Government.

A bronze statue of General Huang Hsing, veteran Revolutionist, was unveiled at Hankow October 31. Miss Huang Chen-hua, daughter of the deceased Revolutionist, performed the unveiling Ceremony.

Kwangtung Faces Huge Deficit of $13 Millions

Dwelling on the state of public finance in Kwangtung during the first eight months of this year, Ou Fang-up, provincial commissioner of finance, started at the weekly memorial service October 29 that the total deficit amounted to $13,900,000. Provincial revenues, Mr. Ou said, totalled $54,000,000, which expenditures were $43,800,000, leaving a surplus of about $1,140,000. National revenues collected in Kwangtung were $54,600,000, he continued, whereas the national expenditures amounted to $77,000,000. Mr. Ou declared that revenues collected this year represented a big increase over lats year, but expenditure likewise was mounting up owing to more money being reqiured for the Three-Year Plan. The financial situation is further aggravated by the abolition of eighty miscellaneous taxes, which means a loss of $4,700,00 a year, he pointed out.

Hu Wen-fu, a wealthy Chinese medicine magnate and resident of Singapore, has donated $200,000 for the construction of a hospital and leper clinic on Hainan Island.

Wang Ching-wei Sees Early End of Red Menace

Reporting on the progress of the Government's bandit-suppression campaign at the Weekly Memorial Service Nocember 5. Wang Ching-wei, President of the Executive Yuan, expressed the conviction that in view of the successive victories scored by the Government forces over the Communists, the liquidation of the Red menace in Central China is near at hand. The Reds in Fukien have lost their stronghold and only remnants of the outlaws there remain to be rounded up.

According to information from the Mongolian and Tibetan Affairs Commission, General Huang Mo-sung, Special Commissioner of the National Government to Tibet, will leave Lhassa, Capital of Tibet, for Nanking in the latter part of this month after meeting the Anchin Lama, personal representative of the Panchen Lama, who is due to arrive there on the 15th inst. General Huang, it is learned, will return by the sea route via India and is due to arrive at the Capital by the end of December of early in January.

The resignation of Dr. Kuo Chung-tao, Political Vice-Minister of Industries, who has been commissioned to investigate commercial and industrial enterprises in Europe, was accepted by the Executive Yuan November 6. Liu Wei-chi, administrative Vice-Minister, has been promoted his successor.

Nanking Cables Payment of 1908 Anglo—French Loan

Dr. H. H. Kung, Minister of Finance, announced Oct. 31 that $250,000, sterling plus accrued interest, had been remitted to London by the Chief Inspectorate of Salt Revenue to pay the 1934 instalment of principal of the Anglo-French Loan of 1908. This remittance completes payment of all arrears due to holders of bonds of this loan. This payment, said Dr. Kung, is an important step toward completion of the rehabilitation of the service of the salt-secured loans of the Chinese Government. The plan of 1929, it will be recalled, provided for gradual payment of the arrears of these loans—first, of interest and then of principal.

Dr. Kung left Nanking for Shansi Nov. 7 by airplane to inspect finances in North China and see General Chiang Kai-shek.

The Kiangsu Provincial Government has secured a loan of $7,500,000 from a banking syndicate in Shanghai (on the security of the Kiangsu Provincial Water Conservancy Loan of $12,500,000) under an agreement signed by representatives of the Kiangsu Provincial Department of Finance, and the banking syndicate.

Negotiations for a loan of $600,000 from the Postal Remittances and Savings Bank for the projected long-distance telephone network linking up the nine provinces of Kiangsu, Chekiang, Anhwei, Kiangsi, Hupeh, Hunan, Honan, Shantung and Hopei, have been concluded by the Ministry of Communications. Revenue derived from the Eastern Extension, Great Northern and Commercial Pacific Cable Companies will be deposited in the Postal Remittances and Savings Bank as security. According to plans mapped out by the Ministry of Communications, five trunk lines will be installed—Nanking-Tientsin, Tsinan-Hopei, Hsuchow-Chengchow, Hankow-Changsha, and Nanking-Shanghai. The Nanking-Shanghai line will be installed first.

China Places Huge Order of Rail Equippment with England

An order for locomotives, coaches and rail equipment, amounting to some $4,000,000, has been placed with a British firm in London by the Tientsin-Pukow Railway Administration. The purchase includes 16 locomotives, 15 passenger coaches and 300 freight coaches.

Construction work on the projected iron bridge across the Chientang River in Hangchow was formally started on the 10th. The cost of the project will total $5,500,000, of which loans for $2 millions have been secured from the National Economic Council, $2 millions from Shanghai banking circles, and $1.5 millions from the British Indemnity Funds.

The work of paving the road-bed for the double-tracking of the Shanghai-Nanhsiang section of the Nanking-Shanghai Railway, has been completed. Laying of the rails will be started soon and the new track will be ready for use by the end of this year.

More than 26 million people travelled on government-owned railways during the first seven months of this year, according to statistics issued by the Ministry of Railways November 4. Of this number 25,096,506 were regular passengers and 1,110,630 were government officials.

The branch road of the Chekiang-Anhwei Inter- Provincial Highway connecting Miaochi with Tienmu Shan, a mountain famous for its beautiful scenery, on the Chekiang-Anhwei border, has been completed. As soon as traffic is opened, an excursion trip by motor-car from Hangchow to the mountain and return can be done in one day.

To promote foreign trade, the Ministry of Industry has sanctioned the organisation of the proposed Sino-American Trade Council by Chinese and American merchants in New York for mutual cooperation. Li Kuo-chin, Director of the China Society of America, will be the Chinese representatives on the Council.

Up to date, a total of 194 electric power companies in the country has registered with the Government, according to statistics complied by the National Reconstruction Commission. 65 power plants are to be found in the province of Kiangsu, 66 in Chekiang, 11 in Anhwei, 5 in Kiangsi, 6 in Hupeh, 5 in Hunan, 3 in Szechuan, 3 in Fukien, 4 in Kwangtung, 1 in Yunnan, 10 in Hopei, 7 in Shantung, 2 in Honan, 3 in Shansi, 1 in Charhar, 2 in Suiyuan.

In addition to the expansion of the postal service, the income of the Postal Administration has improved considerably during the 22nd year (1933,) according to the Ministry of Communications. During the year, the earnings totalled over $33,300,000, sufficient to balance the expenditure.

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CHINESE PRESS OPINION

EMERGENCY DRILL IN SHANGHAI

The China Times in an editorial voices deep satisfaction over the Emergency Drill held night Nov. 3 by the Municipality of Greater Shanghai and advocates that more drills of the same nature should be held in the future. The journal says :—

"We strongly advocate that more demonstrations of this type be held in future. The people should learn the defects of each drill and be able to make improvements. We will then not be confused or at a loss when a real emergency comes."

MAY STUDENTS DANCE?

Ridiculing the plan to prohibit students from going to cabarets and dance halls, The *China Evening News* in an editorial Nov. 1 urges educators to place more emphasis on training their students in their respective institutions to become better models for society. This journal does not believe the plan is practical and points out that lack of discipline is really responsible for students to leave their studies and go to dancing halls.

CHINA SHOULD PUSH HER FOREIGN TRADE

The *Shun Pao*, one of the leading Chinese dailies in Shanghai, does not believe the decrease in imports during the first nine months of this year in comparision with a corresponding period of 1933 is necessarily an optimistic sign and urges China to make greater efforts to push her trade abroad. The paper says that the decline probably corresponds to the drop in the buying power of the paople.

CHINESE BANK FAILURES

Commenting on the failures of several Chinese banks during the last few weeks, the *China Times* in an editorial strongly urges the National Government to take drastic and immediate measures to investigate and supervise the native banks in various parts of China. It outlines five measures, the most important of which are the prohibition of issuance of paper notes by small banks or old banks which are resuming business, and registration with the Government.

DEVELOPMENT OF HOPEI

Discussing the question of the development of Hopei, the *Peiping Chen Pao* comments :

"We maintain that the imperative task of the moment is to conduct an investigation into the existing state of handicraft industries in Luantung to find out why certain industries have declined, and if they have not declined, why they cannot make further progress. This survey should also include the system of taxation to see whether the decline is due to the existence of exorbitant taxes and levies. We believe that this survey will not involve any considerable expenditure of money.

"We have more than once remarked that Hopei's immediate industrial future lies in the further development of cotton growing and coal mining. The cultivation of cotton requires a certain amount of capital and technical knowledge but if the Government takes the lead in this connection, many farmers will voluntarily grow cotton. As regards the development of coal mining, the problem is one of how to extend the existing market for Hopei coal. We suggest that the Government reduce the existing taxes on coal. In addition to these two tasks, efforts should be made by the provincial authorities to encourage the development of small industries."

THE POSTPONEMENT OF THE FIFTH CONGRESS

Commenting further on the postponement of the 5th Kuomintang Congress, the *Ta Kung Pao* observes :

"Now that the Fifth National Party Congress has been postponed, it may be safely presumed that the progress of the anti-Communist campaign in Kiangsi and other provinces will not be affected by the necessity of the Commanders going to Nanking to attend the Congress. But the political difficulties remain, for those who are determined not to co-operate with the Central Government, are not likely to be influenced by the postponement of the Congress to abandon their obstructionist tactics.

"What the people expect of the Government is the purification and rationalization of politics. That officials should be honest and that the orders of the Government should be in accord with the organic law of the country, are the minimum essentials of good government. It is deplorable to reflect that China has not yet attained this minimum although the National Revolution has been in progress for over 20 years. It is feared that if the people continue to be denied the fruits of honest and clean government, there will be no hope for this country. We are not unappreciative of the exertions made by individual commanders and ministers for the improvement of military affairs and of education, communications administrative efficiency and telegraph services in recent years, but it must be confessed that the result obtained is still negligible and that widespread corruption still exists in many high places. What is worse, the law seems to have lost its efficacy. How many rights are left of those granted to the people by the Provisional Constitution? No wonder that the people are indifferent to the discussion of the Draft Constitution by the Legislative Yuan."

CHINA'S ADVERSE TRADE BALANCE

Discussing the danger of China's adverse trade balance, the *Peiping Chen Pao* says :

"According to Customs returns, China's adverse balance o trade for the first nine months of this year amounted to $395,900,000 Assuming the excess of imports over exports for the remaining three months of this year to be $90,000,000, the total trade balance for the whole year will reach about $500,000,000." Among other measures, the paper recommends :

"We suggest that the Government make an investigation into the various foreign goods sold in China, showing what can be replaced by Chinese substitutes and what can be manufactured in China. At the same time everything should be done to encourage the development of native industry."

"Bandits" Keep Up the Fight Against the Japanese-Manchukuo Forces

(By the Review's Harbin Correspondent)

REVIEWING the operations of "bandits" and volunteers in Manchuria during the last "kaoliang" season, we must admit that, on the whole, the operations have passed quite satisfactorily for the Volunteers. If there were a commander-in-chief, he should be quite satisfied with the results achieved. It is a matter of wonder that, at this late hour of the struggle, the "bandits" and volunteers still keep up the battle against an immeasurably stronger and better organized foe. As always, they are ready to make supreme sacrifice for the cause, which, if not hopeless, then seems to be very far from being attained. To be a "bandit" or a Chinese volunteer in Manchuria means certain death, if not on the battlefield, then in the torture chamber of the Japanese-Manchukuo gendarmery, so, the devotion of these simple men to their original cause arouses the surprise and admiration of everyone who is not yet bought over by the propaganda fund of the Japanese warlords.

Bloody and Relentless Struggle

That the bloody and relentless struggle between the Japanese invaders and Chinese loyalists continues as ever is a fact seen and accepted by everybody in Manchuria; yet there are innumerable propagandists who try to convince the world that peace, order, and happiness have been attained at present in Manchuria. One of such propagandists, the editor of the "oldest English language newspaper in Dairen recently came out with a refutation of the speech delivered by Quo Tai-chi, Chinese Minister to London, at the assembly of the League of Nations in Geneva. In the course of that refutation he said that "the country of Manchuria has never been so far advanced along the road to prosperity; conditions never have been so favorable to people; banditry never has been so near extermination." Knowing well that, at the outset, no self-respecting reader would give credit to his statement, he took up the usual argument of all propagandists, employed from time immemorial up to the present,—the quoting of an "impartial" witness, in the present case of F. M. Cutlack, represented to be a special correspondent of the Australian Press Association, who "made a tour of Manchuria," and therefore to be one of the "responsible and unbiased travellers."

Responsible and "Unbiased"

To what extent this Australian gentleman was "responsible and unbiased" is difficult to say. Yet, the fact remains that he came to Manchuria as a guest of the South Manchuria Railway, and as such visited Dairen, Mukden, Changchun, and Kirin. Thence he went to Jehol and returned to Japan via Korea, always a Japanese guest. He was eager to see bandits, but that opportunity was not given, because the two Imperial divisions, stationed along the routes he travelled, happened to be not on the idle job of a pleasure outing, but kept these same bandits at a good distance from the roads.

The Dairen propagandist prudently omitted to mention that Mr. Cutlack visited Manchuria as the guest of that multi-armed octopus, known as the S.M.R., travelling with a first-class ticket generously provided for by the railway and staying in hotels run also by the same railway. If he had visited, at least for the sake of curiosity, the native parts of the cities he stayed in, he might have seen to what extent the prosperity and contentment abounds in Manchuria. But this he did not do, or chose not to mention in his dispatch to the Australian press.

Propaganda Designed to Mislead

This business of political propaganda, designed to mislead and dupe world opinion, seems to know no depression. Its unbounded resources invite every one, far and near; millions are being spent for the single purpose of winning a favorable comment on the Empire building activities in Manchuria. Show parties, composed of influential pressmen, businessmen, or mere tourists, are being arranged and conducted around strictly defined places. Their words of admiration of natural beauties of these places are being "played up" in glaring terms; every word of their appreciation of Japanese activities along the constructional lines (invariably by Chinese labor) is being enlarged and twisted in such a way as if they were approving the Japanese activities in Manchuria.

One has to wonder at the lightness and ease with which these opinions are being formed and given out by foreign visitors. The position of the said Dairen propagandist is quite simple; it is his business to earn "honestly" his remuneration of 1,000 yen a month (a year ago, when the exchange rate was not so bad as now, his salary was, as documents show, 800 yen a month), plus free lodgment in the Yamato Hotel, and travelling and other incidentals. But the foreigners, casual visitors to this country, ought to be more careful in forming their opinions and giving them out, unless it is their desire to taste the flavor of the propaganda fund of the Japanese war-chest.

How Many "Bandits"?

Speaking of the number of "bandits" involved in the present operations, it must be admitted that there is no unanimity of opinion. While the Dairen propagandist would make us believe that the bandits are almost extinct (though I must admit it is his profession to say so), Lieut.-Gen. Nishio, chief of Staff of the Kwantung Army, "a boss No. 2" of Manchuria, and therefore in a position to know of what he speaks, stated in a recent press interview that "the number of bandits in Manchukuo has been reduced by half, to 50,000, compared with last year; there are about 20,000 bandits in Kirin Province, and 10,000 in Fengtien Province; these bandits are of vilest type, politically and in point of view of thought; they get supplies of arms and ammunition from Soviet and Chinese sources; they are also equipped with wireless apparatus and are in touch with secret agents scattered in many districts; campaigns against them are no easy task, especially as the troops are not sufficiently strong numerically."

Great Divergence in Figures

This divergence of opinion with regard to the number of "bandits" in Manchuria is especially evident amongst the Japanese official institutions, supposed to know this number better than anyone else. A study of figures, announced by these institutions from time to time, shows a great variance; whilst the Staff of the Kwantung Army tend to minimize this number, various provincial governments, on the contrary, seem to be inclined to expand it. For instance, the Police Bureau of the Fengtien Provincial Government made public the following figures with regard to the number of bandits and their outrages in Fengtien Province alone;—

	Number of Bandits	*Cases*
April, 1934	32,456	676
May ,, ...	33,385	760
June ,, ...	?	709
July ,, ...	34,343	759
August ,, ...	?	1,516

The Bureau of State Railways, situated in Mukden, evidently conducts its own statistics. It reported 807 cases of banditry in August, involving 53,700 bandits, against 474 cases and 38,400 bandits in July. Continuing further, the Bureau stated that "the total number of cases of damage resulting from bandit attacks was 420 in August," which works out 14 outrages a day. In this number, the attacks perpetrated on the Chinese Eastern Railway and the S.M.R. are not of course included, concerning which no information could be obtained.

Other provincial governments, as a rule, do not publish statistical data with regard to bandits in their respective areas. However, this does not mean that the era of peace and order, about which the propagandists of the Dairen type cry out from house-tops, has been attained. A report of the official *Kokutsu* news agency, dated September 12, this year, and originating from Tsitasihr stated that nearly every hsien (county) had had its own contingent of "bandits." In six, most populous hsiens of Heilungkiang Province, forming what is called the Granary of North Manchuria, the number of bandits, according to this report, was as follows; Tsitsihar district (that is, around the provincial capital)—380, Anta district—360, Talai district—150, Keshan district—660, Paichuan district—1,570, Taheiho district—200, in all, 3,320 bandits. These figures indicate the number of bandits estimated to be operating in the month of August, the July figures being much smaller (1,260 bandits, in all).

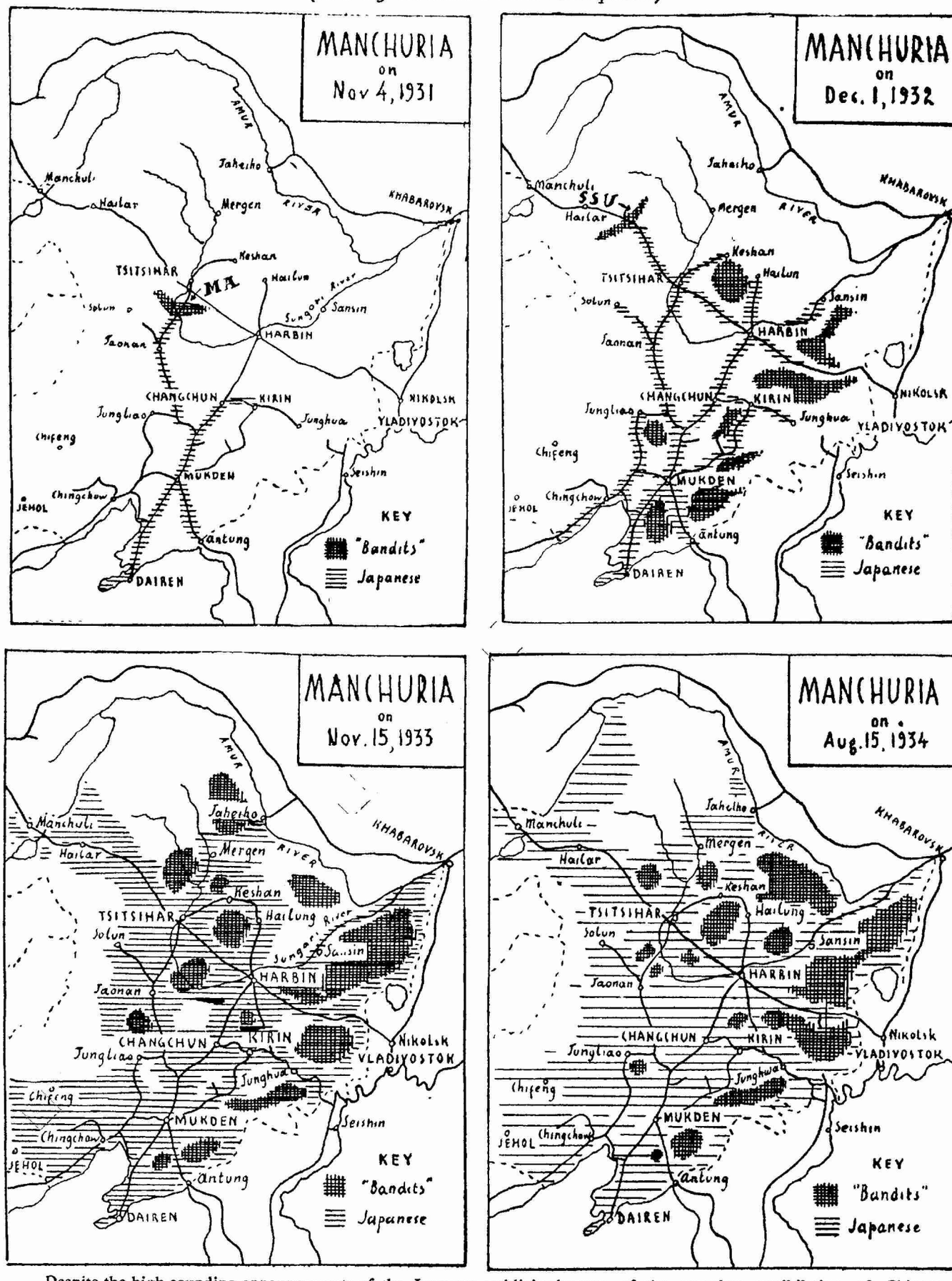
A study of these figures as well as of the geographical distribution of "bandit" outrages indicates that practically no community, town, or railway has been immune from bandit attacks. In fact, every place, which was a target of attacks in 1932, when the revolt against Manchukuo and its creators—the Japanese—was probably at its height, has again been repeatedly attacked in the "kaoliang" season of this year. For instance, the environs of such important centres as Mukden, Changchun, and Harbin (to mention most important of them), which were repeatedly pronounced "free" from bandits and volunteers, have again been attacked this season, and not once, but several times, necessitating the sending out, each time, of a number of expeditions against them. Invariably, every one of these expeditions has been hailed a complete success, having ended in complete annihilation of all bandits it had met. However, the same bandit troops, already reported killed, reappear again, if not at the same place, then in its immediate neighborhood, so that the picture is not unlike a hide-and-seek game, which is going on in Manchuria for a number of years with much bloodshed and misery.

Population Is Hostile

Undoubtedly, the difficulty, or, rather the impossibility, of stamping out the armed opposition against the Japanese-Manchukuo regime is due to the fact that here we have an instance of the armed resistance of a considerable part of the population, especially, of the peasantry. In fact, it is extremely difficult to differentiate who is a peasant and who is a "bandit." At times, it seems that the entire region is in open revolt against the Japanese-Manchukuo authorities; then the isolated squads of troops or police, stationed

MAPS SHOWING THREE YEARS WARFARE AGAINST BANDITS IN MANCHURIA

(Drawn by The Review's Harbin Correspondent)



Despite the high sounding announcements of the Japanese publicity bureau, of the complete annihilation of Chinese loyalists, whom the Japanese call "bandits," the open revolt against the Japanese-Manchukuo regime continues, accompanied by much misery and bloodshed. These maps, drawn from Japanese official reports, show that very little progress has been achieved by the Japanese Army in pacifying China's Three Eastern Provinces. For the Japanese Treasury, this task has so far cost Yen 800,000,000.

in the region, disappear quickly, being wiped out by the revolters; at the approach of the punitive expeditions, all becomes quiet again, the peasants burying, in that case, their weapons literally in the ground, and returning once again to their normal pursuits.

The authorities are cognizant of this situation and do all possible to lure the peasants into giving up their arms and ammunition. They are trying "to buy up" all arms in the hands of the population, which, however, is said to be slow to come in.

How "Bandits" Get Ammunition

It has always been a mystery how the bandits get their supply of arms and ammunition. It seems that the loyalists have an inexhaustible supply of these arms and ammunition, its source and means of distribution being known only to "bandits" themselves. The Japanese believe that a considerable part of these supplies come from Soviet Russia. At any rate, one of the arrested Soviet citizens, Mr. Sobolevsky, an engineer of the C.E.R., is reputed to have confessed to having supplied the "bandits" in August last with 50 rifles, 1,000 cartridges, one keg of powder, 500 dollars in cash, and 200 Communist leaflets in "Manchu" script. In May, it is alleged, he supplied them with one case of hand grenades, three machine-guns, one keg of powder, seven rifles, and 200 dollars in cash. Of course, we have no means of knowing to what extent these reports are near the truth, but the fact is that it was a subject of conversations between the Japanese Foreign Minister and the Russian Ambassador in Tokyo.

Believe it or not, even the Japanese nationals have rendered good assistance in furnishing the "bandits" with sorely needed arms and ammunition, which they have not, of course, been slow to use against the Japanese-Manchukuo troops and policemen. As an instance of this assistance, it is pertinent to quote, at least for posterity, a *Rengo* dispatch, reporting it, verbatim :—

"Kirin, Oct. 5.—Charged with supplying 25 pistols and 7,300 cartridges to bandits in Kirin Province, 10 Japanese and several Manchus have been arrested by the gendarmerie here. The majority of the arrested Japanese are local pawn brokers, alleged to be headed by Fukaso Ishino.

The latter was accused by a Chang of furnishing ammunition to bandits who attacked a Hsinking-Tumen train on August 18. Chang was nabbed near the scene of the attack, and had been grilled by local gendarmes for some time.

On cross examination by the Kirin gendarmerie, Ishino, owner of a pawn-shop at Tamalu, Kirin, is said to have disclosed his associates in the illicit arms traffic. Among them is a former soldier in a Manchukuo brigade stationed at Kirin, and a newspaper agent named Yohei Nishino.

The ammunition is said to have been delivered in several instalments to bandit agents at Chaoho station."

"Bandit" Operations Continue

In the period under review, the "bandit" operations in Manchuria have continued with unabated frequency. There has been a usual crop of muntinies and revolts of the Manchukuo troops and policemen, and their joining the bandits, whom they were supposed to quell. These incidents showed a tendency to increase. Of them, most spectacular were those which occurred on June 12 at Mudanziang station of the C.E.R., in Jehol end of June, the revolt of 400 soldiers in Yingkow end of July, of 80 cavalrymen in the vicinity of Kirin (end of July), of 100 cavalrymen at Chilinghe, on the eastern section of the C.E.R. on Aug. 8. It must be admitted that these are only most spectacular revolts of the Manchukuo forces, the rest, of minor significance, being not reported at all. Therefore, they are lost forever as historical material.

Operating in small, well-organized, and armed groups, the loyalists have continued to hold "the initiative of action," noted in my previous report in *The Review* for July 28 last. This means that there is practically no front as ordinarily understood in regular warfare; here, the hostilities are liable to break out anywhere and at any time, even in and around the most populated and strategically important centres, strongly garrisoned by the Japanese-Manchukuo troops (*e.g.*, the attack on the city of Kirin on Sept. 5 last by about 150 "bandits," resulting in abduction of Mr. Tsang, the police officer, the son of Tsang Shih-yi, the Manchukuo Minister of Interior; the attack on the city of Mukden on Aug. 5 by about 500 "bandits" through the West Gate, which resulted in 30 bandits captured and three pedestrians killed; the attack on the Socony-Vacuum Co. plant near Yingkow on Aug. 8, several attacks in the vicinity of Harbin, Sansin, and so on.)

THE LOWER SUNGARI REGION

This region made up of the entire Sungari valley from Harbin downward to the Amur has the whole season been in turmoil. The bandits have been active in nearly every hsien along th Sungari as well as in the interior. Consequently, the bandit suppression expeditions of the Japanese-Manchukuo troops, assisted where possible by river-gunboats, have been so numerous and sporadic that their activities defy any sort of recording. Therefore, all these frequent darts after "bandits" in the Sungari valley should be considered as one big and continuous expedition, its particulars as regards troops and gun-boats being known only to the Staff of the Kwantung Army.

Thirty-Ninth Drive

Objective : Clearing the Sungari valley from countless "bandit" groups operating therein, despite the repeated chasing of them by the "government" troops (this is the fifth major drive in this region since 1932).

Commenced; July 19, 1934, *and continued the whole of this summer and autumn.*

Troops : Various units of Japanese-Manchukuo army were extremely busy in chasing the "bandit" gangs, trying to keep them off the river. This object was however only partially attained. The drive may, at least, be sub-divided into three minor drives, viz.; (1) of July 19, subsequent to the attack on Sansin, (2) of August 14, as a result of the capture and looting of the steamer "Yingkow" at a place 57 miles below Harbin, and (3) of September 19, subsequent to the re-capture and re-looting of the same steamer near Fuchin, when the total loot amounted to about 80,000 dollars.

In this region, operations continue even up to the present. Of noted "bandit" leaders, involved in these operations, a mention must be made of Hsieh Wen-tung, who at the head of 500 men, had a five-hour battle with the Akutsu unit on Oct. 11 at Paitsaho (near Sansin). Hsieh is reported to have fled up the Mudanziang River.

THE USSURI REGION

This region has been less prominent in news dispatches during this season, which probably accounted for bad communication facilities between it and populated centres of Manchuria. Though it had previously been visited by five anti-bandit expeditions, a serious situation has there arisen quite recently, necessitating the sending out of another (sixth) major expedition into this district.

Fortieth Drive

Objective : Clearing the Ussuri region from small "bandit" bands, which have again reappeared and started to terrorize the district.

Commenced : Oct. 20, 1934, *and still continues.*

Troops : Japanese-Manchukuo units of unreported strength started clearing operations against the bandits, infesting the district. The operations are directed by Gen. Chang Chih-hui, the War Minister of the Changchun "Government," who on Oct. 27 arrived at Harbin and thence flew to the "front" to inspect the troops. However, it is doubted whether these operations will be entirely successful.

THE C.E.R. EASTERN LINE

In the last review of bandit operations, dated July 28, I stated that "in the forthcoming 'kaoliang' season, the region will be a source of constant anxiety on the part of the Japanese high command." The subsequent events in this region have amply proved the correctness of this prediction. Space is not available to cite all attacks, perpetrated by bandits on trains, railway stations, and centres of population in this district. Most important attacks have been duly reported by the daily press. As in previous cases, every attack on the railway, and every looting of the train should be considered as a separate operation, invariably ending in chasing "bandits" into mountains. According to the statistics published by the C.E.R. Management, the total property loss, caused to the railway by these attacks in the period from January 1 to August 1, this year, amounted to Gold Rbs.1,000,000, besides 46 passengers and crew members killed, 102 persons injured, and 116 persons kidnapped. However, since August 1, attacks on the eastern line have continued with alarming frequency of about two attacks a day (at least, one derailing and looting of trains in three days). At this writing, most of kidnapped persons are still in captivity.

Forty-First Drive

This drive should be considered as the continuation of the 35th drive, commenced in December last, and aimed at keeping the bandits off the railway line. It came to a conclusion on or about October 10, when the Japanese Manchukuo forces, which, till that date, were on the defensive, changed it and started offensive operations against "bandits."

Forty-Second Drive

This is a sixth major attempt to put down the revolt along the eastern line of the C.E.R. It commenced on October 10, and still continues.

Troops : Various units of the Wakayama division, with the Field Headquarters at the Echo station, started offensive operations against bandits centring around Binhsien (near Harbin), Tungbin, Ninguta, and Tungning. Opposed by Dia Lin and Chao Shen-tsu (battle at Hsiananshan, near Binhsien), Ai Min and Tsu Bao (against the Tani units, near Ninguta), Kung Chen-yin (heading 1,000 men in the Tungning district, against the Yoshimoto and Saito units). Evidently, this drive is in direct connexion with the 39th drive in the Lower Sungari region, alluded to above.

Considerations of space do not permit me to dwell on drives, carried out in this "kaoliang" season against bandits operating along the Lafa-Harbin, the Kirin-Tumen, the Keshan-Hailung, and the Tsitsihar-Taonan railways, as well as in the Triangular Zone, the Tungpentiao district, and along the Mukden-Antung line, in all of which the "bandits" have been extremely busy, keeping the hands of the Japanese high command fully occupied. In the interests of historical truth as well as in fairness to the loyalists, these operations will be covered at some future date.

Harbin, November 1, 1934.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	▲PUKOW	1.20	1.40
16.54	16.57	▲LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	▲	PEIPING	22.00
13.27	▲	CHANGSINTIEN	22.48
9.54		PAOTUNG	2.28
5.50		SHIHCHIACHWANG	6.28
2.19		SHUNTEH	10.01
19.27		SINSIANG	16.45
16.43		CHENGCHOW	19.26
13.59		HSUCHOW	22.03
12.16		YENCHENG	23.51
9.58		CHUMATIEN	2.34
6.10		SINYANG	6.01
3.36		KWANGSHUI	8.36
22.45		KIANG AN	13.15
22.30		HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	TIONS	TIME ARR.	TIME DEPT.
9.30	—	▲HSICHIMEN	—	16.48
8.06	8.16	▲NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	▲	HSUCHOWFU	—	21.10
0.57	1.17	▲	SHANKIUHSIEN	1.16	1.56
20.47	21.07		KAIFENG	6.20	7.00
18.40	19.00		CHENGCHOW	8.49	9.09
14.45	15.10		LOYANG E.	12.53	13.23
9.30	9.55		SHANCHOW	18.30	18.55
—	6.10		TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	▲	TSINGTAO	—	21.00
5.48	5.50	▲	KIAOCHOW	22.46	22.48
5.06	5.16		KAOMI	23.19	23.30
3.26	3.41		FENGTZU	1.01	1.16
3.03	3.05		WEIHSIEN	1.36	1.39
1.36	1.38		TSINGCHOW	2.55	2.57
28.59	0.01		CHOUTSUN	4.32	4.35
—	22.00		TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	▲	SHIHCHIACHWANG	—	7.53
18.14	18.16	▲	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15		YANGCHUAN	11.47	12.01
14.48	14.50		SHOUYANGHSIEN	13.50	13.52
12.40	12.49		YUCHIHSIEN	15.25	15.35
—	12.08		TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.13	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.28	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (142 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

Can Nanking and Canton Be Brought Into a Rapprochement?

BY PAUL K. WHANG (汪仲芳)

THE Fifth National Congress of Representatives of the Kuomintang, which was scheduled to be convened on November 12, has been postponed *sine die*. This postponement, which has been anticipated, bespeaks the difficulty on the part of the Nanking Government in bringing its political enemies into its fold. The domestic political situation, which had been a source of worry to many of our people, has become more confused and obscure than ever. The Nanking officials have been eager to enlist the support of the leaders of various factions with the hope of making the forthcoming Congress a very successful one. Their political opponents of the Canton camp have as usual, assumed an attitude of non-chalance toward Nanking's invitation, and reiterated in non-equivocal terms their settled policy of not participating in any political show which would be run by the Nanking officials exclusively. The officials who are on good terms with both sides have been travelling back and forth between Nanking and Canton in an attempt to bridge their political and personal differences.

The Southwest Political Council and the Southwest Executive Department of the Kuomintang have already issued two circular telegrams to clarify their stand toward the forthcoming Congress. In their first telegram issued on August 5, they vigorously attacked the alleged military dictatorship of Gen. Chiang Kai-shek, chairman of the Military Affairs Commission; openly demanded the reorganization of the National Government in Nanking; and vociferously denounced the draft constitution, which was termed a "shield to protect the military dictatorship." In their second telegram issued on Sept. 29, they demanded freedom of press, lifting of censorship as well as unfettered freedom of C.E.C. members and Kuomintang members to make constructive suggestions with regard to national, party and military affairs.

Hu Han-min Continues Fight Against Nanking

Both of these telegrams, were signed by Hu Han-min and other Southwest members of the Central Executive Committee and the Central Supervisory Committee, including Generals Chen Chi-tang, Li Tsung-jen and Pei Chung-hsi. Mr. Hu, who at one time had been reported as being on the point of accepting the offer of the Nanking Government to take a sight-seeing trip in foreign countries, denied emphatically, in his recent public statement, his intention to go abroad on an "inspection tour" at Nanking's expenses. In other words, Mr. Hu has made it definitely clear that he would not give up his struggle against the Nanking regime. Although his rejection of Nanking's offer has been expected, it, nevertheless, has caused a great disappointment to those who have believed that his removal from China would brighten the prospect of an early rapprochement between Nanking and Canton.

In refuting the charges levelled against him by the Southwest leaders, Gen. Chiang Kai-shek, in an interview with a representative of the *North-China Daily News*, declared that it was far from being his wish to become a military dictator of China. This reply has in no way alleviated the apprehension entertained by his political enemies, who have expressed their doubt over the sincerity of his words. In this connection, the Canton Daily Sun, in an editorial on October 15th, said, inter alia, "He (Gen. Chiang) does not like Dictatorship. He says it is unsuitable for China owing to the vastness of the country. If this is so why was the telegram of the southern leaders so peremptorily censored and prohibited from circulation. We do not want to impute motives, and we fully give credit to the Marshal for his sincerity of purpose. But sincerity and good intentions alone are not sufficient. Actions prove the sincerity and intentions."

It is indeed paradoxical that while their signatures were attached to both of the above-mentioned telegrams issued by the Southwest leaders, Generals Chen Chi-tang and Li Tsung-jen, strong men of Kwangtung and Kwangsi respectively, have been cited as being loyal to the Central Government. These two military leaders, according to political circles, have more than once pledged their support to Gen. Chiang and displayed their loyalty through active participation in the drive against the Kiangsi bandits. This anomalous state of affairs will invariably lead us to believe that the Southwest civilian leaders headed by Hu Han-min must have their military colleagues completely under their sway, so much so that they can issue circular telegrams against the latter's wish.

Thus Mr. Hu has once again come into political limelight, although he is still living in retirement in Hongkong. Undaunted at their failure in inducing him to take a trip abroad, the Nanking officials are now once again exploring all the available means to bring him back to Nanking. To that end, Dr. Wang Chung-hui, judge of the Hague Permanent Court of International Justice, who returned to China from Europe in the latter part of August, has been travelling back and forth between Nanking and Canton on a voluntary mission to enlist closer co-operation of the Southwest leaders with the Central Government. As a result of his painstaking efforts, Mr. Hu is even said to have consented to come to Nanking during the time when the Fifth National Kuomintang Congress is in session in the Capital.

To acute political observers, it is highly skeptical that Dr. Wang's tedious trips will bear any successful results. Being obdurate to the extreme, Mr. Hu is not likely to bury his personal prejudices and compromise his differences with his political enemies. It is a foregone conclusion that he will continue his abode in Hongkong and strike notes of discordance. While his notes of discordance may prove provoking, they can not do any damage to the prestige of the Nanking Government. Be it remembered that Mr. Hu is not the master of the situation, but a tool of his military colleagues. If the military leaders of Kwangtung and Kwangsi are sincere in their profession of loyalty to the Central Government, he can not do anything effective in opposition to their policy. On the other hand, his readiness to co-operate with the Nanking officials will be of no avail if his military colleagues should choose to maintain an independent attitude.

Nanking and Canton, as a matter of fact, can not be brought to a closer rapprochement, when each has looked upon the other with suspicion and distrust. The Nanking Government, for obvious reasons, can not look upon the semi-independence of the Southwest officials with equanamity, and must try to bring Kwangtung and Kwangsi into its fold, so that China can be made into a unified country not only in name but in fact. The Southwest leaders, on the other hand, have long run their show all by themselves, and therefore they can not be expected to play second fiddle to the Nanking authorities. Moreover, the Southerners have always had this feeling that "The National movement in China was started in the South and the Republic was established in the South and the South, therefore, is not only a representative but a custodian of these traditions that gave birth to the Republic in China." Because of this feeling, they naturally aspire to control China's destinies.

Fukien Acted as a Buffer

The presence of this mutual suspicion and distrust would not be translated to open conflict, had their respective spheres of influence been separated by a buffer state. But with the suppression of the Fukien rebellion last year and the extermination of the Red bandits in Kiangsi in the near future, these two separate spheres of influence have now been brought into direct contact. The realities of the situation can not but strike terror to the hearts of the military leaders of Kwangtung and Kwangsi, which are now being exposed to the attacks of the Nanking forces. The knowledge of their unpreparedness to face a stronger opponent is possibly the reason why the Southwest military leaders have been continuously giving lip service to the Nanking Government, although their civilian colleagues are still as defiant as ever.

That this situation will sooner or later, rather sooner than later, come to a showdown is a matter of course. Foreign aggressions and peace talks may defer the date of the clash between these two contending forces, but can not remove the underlying causes. It is bound to come, and even the people on the street know it. Thus the recent trip of Gen. Chiang Kai-shek to Hankow gave rise to wild rumors regarding the imminent civil strife between the Nanking and Southwest forces.

The military leaders of Kwangtung and Kwangsi, as reported, are now feverishly preparing themselves for the coming conflict. In Kwangtung, a strong air force has been built up, and foreign instructors have been engaged to train Chinese fliers and also the cadets and those connected with the Pearl River Flotilla. In Kwangsi, a new conscription plan has been put into execution, and the military authorities there are said to be determined to recruit 180,000 men as reserve corps. All these military preparations can not be made without an objective in view.

However ominous the situation may appear to us, we, however, still hope that enmity among the rival political and military leaders will give way to friendship, and personal prejudice will be overruled by national considerations. True, the situation has already come to such a pass that only a miracle can avert our sad fate. In spite of this, we pray that God will have mercy on our people and come to our aid when human efforts are of no avail.

Shanghai, Nov. 5, 1934.

NATIONAL STATE LOTTERY ADMINISTRATION

LOTTERY NO. 8

DRAWN AT THE CANIDROME, SHANGHAI, 2nd NOVEMBER, 1934

1st PRIZE: 1 of $500,000 116842

2nd PRIZE: 2 of $100,000 each 292553 420334

3rd PRIZE: 4 of $ 50,000 each 297738 325378 432723 434048

4th PRIZE: 10 of $ 10,000 each 000694 072395 115700 258775 400401
050146 109916 171458 341314 438582

5th PRIZE: 50 of $2,000 each

003215	025893	069179	128921	173339	214234	300624	364314	380222	428159
004416	029487	072442	134264	179545	250645	303100	364438	386345	441288
015082	031485	099879	139185	179795	251604	316177	364737	415916	458329
015837	037361	117593	153870	207833	290306	317313	366059	415994	462759
023082	059865	125867	154852	210006	293399	351200	367081	422573	467825

6th PRIZE: 100 of $500 each

004561	065361	111398	154141	202216	256999	293732	361179	415321	467995
022965	065879	111810	168418	202356	258633	301891	365393	423052	475954
023656	076732	116409	169091	221344	263867	306944	366223	424533	478112
027579	078795	118322	170431	223835	264945	310059	371586	424948	478266
030100	080197	119685	174788	224250	270860	316332	376732	427359	481435
038022	080410	120147	178734	227943	278365	316686	383839	435733	484196
039697	081716	128478	181757	249069	283674	325252	393158	440371	491293
041713	082122	131133	182988	249651	290064	336536	394675	449655	491727
045388	087421	137513	187144	254308	291105	346984	405417	456160	494917
064730	108835	142728	190481	256830	292732	349563	414813	459789	497810

7th PRIZE: 500 of $200 each All numbers ending with 413
(Tickets whose last three figures correspond to a specially drawn number)

8th PRIZE: 4,999 of $70 each All numbers ending with 42
(Tickets whose last two figures correspond to the last two figures of the First Prize ticket number)

9th PRIZE: 44,999 of $20 each All numbers ending with 2
(Tickets whose last figure corresponds to the last figure of the First Prize ticket number)

Holder of prize winning tickets may receive payment on and after Saturday, 10th November, 1934, at the Central Bank of China, Bank of China and Bank of Communications or at any of their branches.

Prizes unclaimed after 30th April, 1935 will be forfeited.

The National State Lottery Administration accepts responsibility for the correctness of the Official Prize Lists only. These Lists are obtainable at the Head Office of the National State Lottery Administration and from the offices of any of the selling agents.

Shanghai, 3rd November, 1934.

LOY CHANG,
Director-General.

NEXT DRAWING 4th JANUARY, 1935

TICKETS NOW ON SALE

$10. per number **$1. per share**

NATIONAL STATE LOTTERY ADMINISTRATION

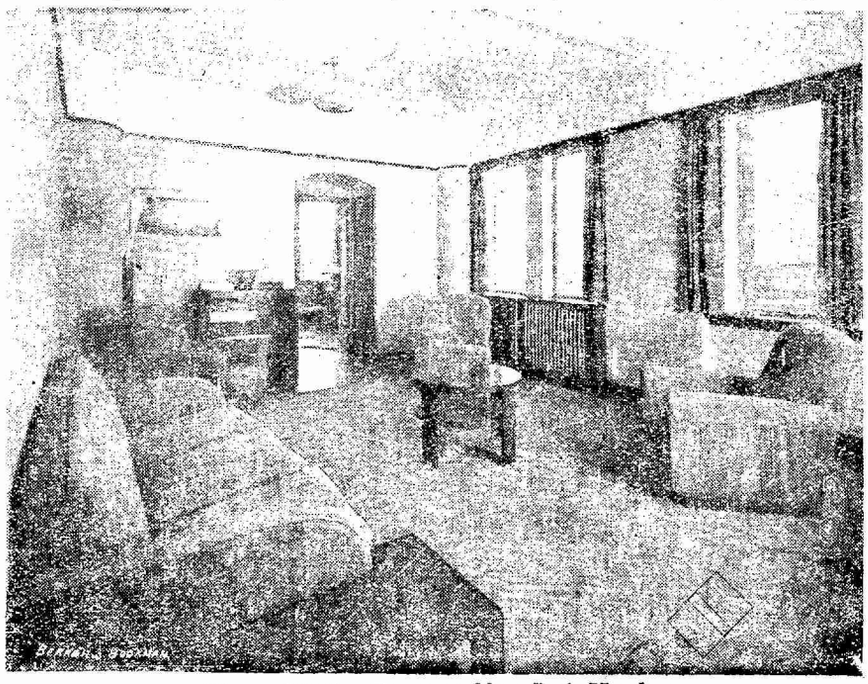
183-189 AVENUE EDWARD VII, SHANGHAI.

(Every mail order purchaser is sent a Prize List by post)

70-411

New Chinese-Owned Park Hotel Will Be Operated on Foreign Lines

WITH the opening on Nov. 12 of the new Park Hotel at the corner of Bubbling Well and Park Roads, Shanghai has been supplied with the first foreign style hotel, owned and operated by Chinese. The site of the hotel occupies more than two mows. The hotel has been built to meet the insistent demand of the travelling public for first-class hotel accommodation at a moderate price. The rapid development of every means of communication, together with the vacation-trip movement, have revolutionized the idea of the Chinese people, so that they feel they should place themselves as the hosts of the nation, to provide the most attractive accommodations and best service for the occasional and transient visitors, who visit the Orient from all over the world.



View of Sitting Room at New Park Hotel

It is upon this idea that the International Hotel Company, Limited, was founded, having its building directly leased from the Joint Savings Society. The name "Park" was decided upon for the hotel. By reason of its remarkable structure, equipment and service, it holds a unique place in the public and social life and will undoubtedly win as much admiration as any leading foreign hotel in the Orient, if not more.

Among the many outstanding features of the Park Hotel are the following:

Standing in front of the wide-open green sward of the Shanghai Race-Course, the building looks over the water front of Whangpoo, the district of Woosung, the Chinese cities of Nantao and Chapei, the French Concession and the International Settlement. It further commands a far distants view of the famous Quinsan and Shisan hills. The building has 22 stories, reaching to a maximum height of 30 feet. It is an exceptionally fine example of modern architecture, designed and built by L. E. Hudec, one of the Shanghai's leading architects. The building is open on all sides to light and air. Its body is supported on huge steel columns and concrete cement base. Exquisite native black granites were used for the main shaft of the building. Light green marbles and various kinds of expensive stones were also used for the interiors.

An artesian well was dug to a depth of 700 feet deep under the hotel to supply water for of the whole building.

200 Attractive Guest Rooms

The hotel has over 200 attractive guest rooms, all with combination showers and baths. Single and double rooms as well as beautiful suites with spacious living rooms, are available for rental by the day, the month, the year, or whatever term patrons desire. Beds, dressers, chairs, mirrors and other furnishings are of the best selected types. Closets are unusually capacious. It surpasses many European hotels in town not only in every facility and comfort, but also in attractive low rates.

Three passenger Otis automatic signal-control elevators were selected to serve all floors of the hotel. Each one of these gives a speed of 600 feet per minute. In other words, it takes only half a minute from the bottom up to the top of the building. They are not only the newest, but also the fastest elevators in town. These elevators, as they are automatically controlled by signals, produce exceptionally smooth and quiet operation as well as accurate stops. There are also two service elevators located in the "back of the house" for the use of room service, luggage transportation, and employees of the hotel.

Principal Features of the Floor Plan

Basement:—Safety deposit vaults of the Joint Savings Society. Engine Room and Maintenance Shops of the Hotel.

Ground Floor:—Headquarters and various departments of the Joint Savings Society. Reception office of the Hotel.

First Floor:—Dining Room.

Second Floor:—Preparation Kitchens. Lobby.

Third Floor to Thirteenth Floor:—Room Accommodations.

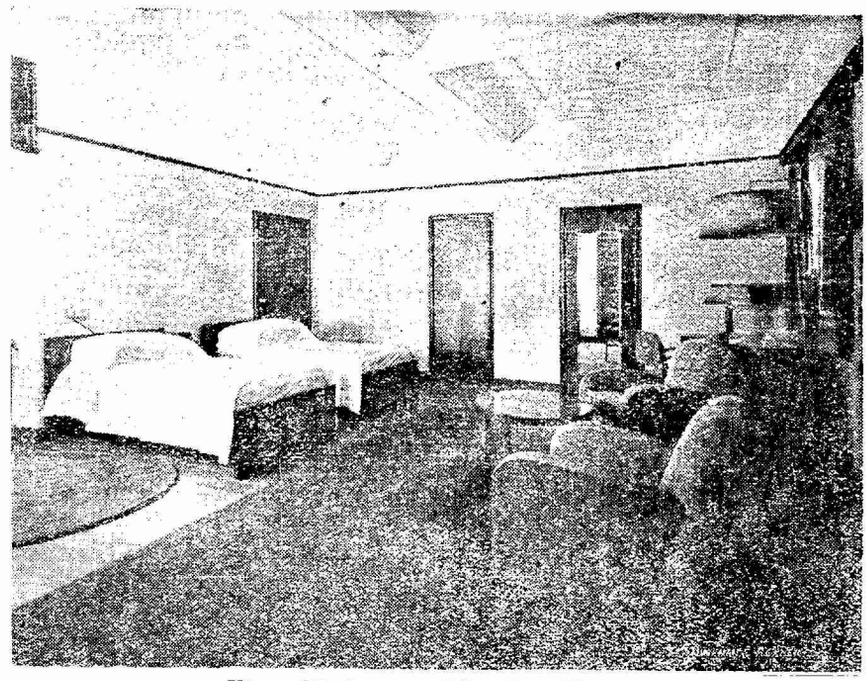
Fourteenth Floor:—Grill Room—Roof Garden—Service Bar.

Fifteenth Floor to Eighteenth Floor:—Residence Apartments.

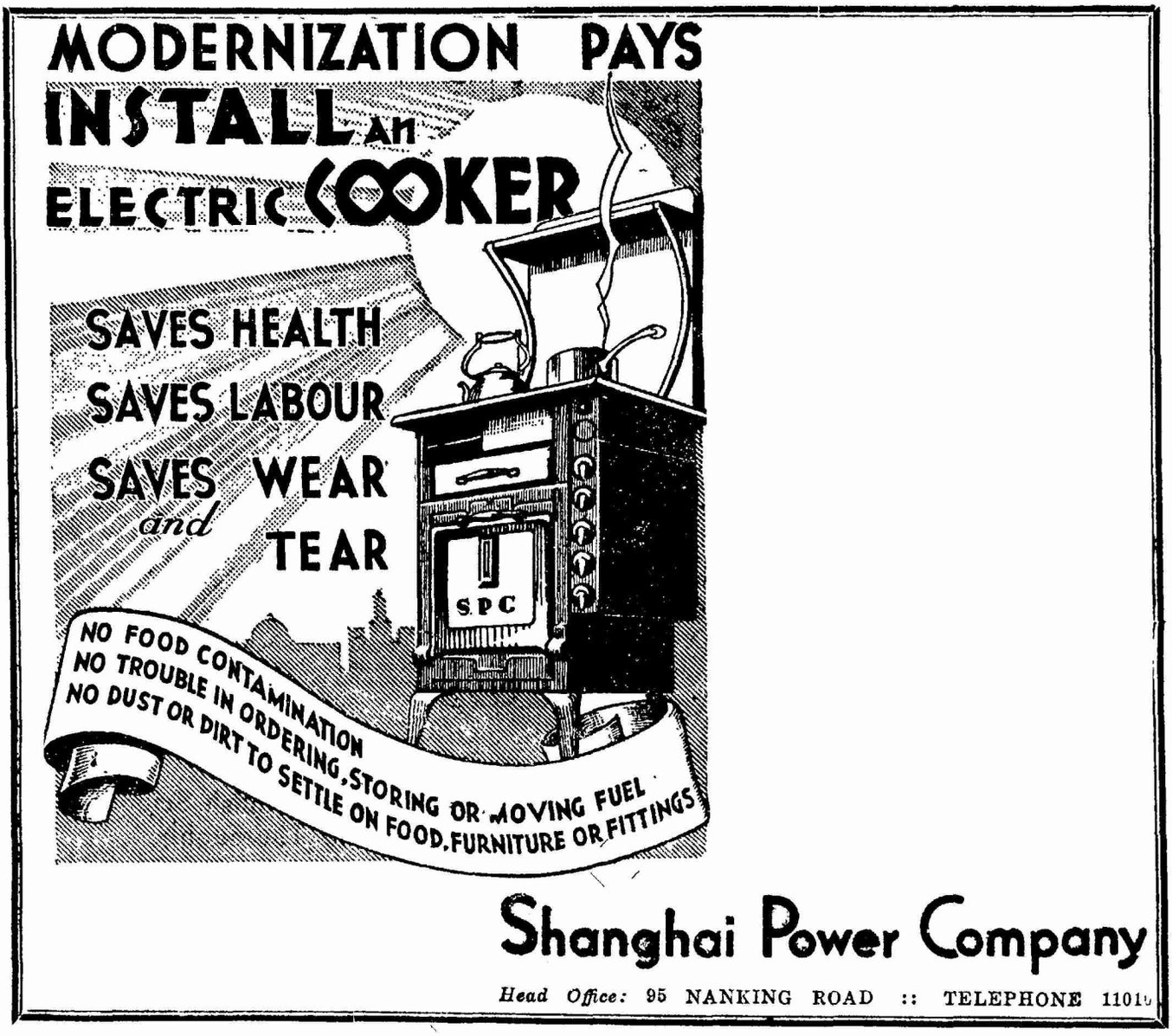
Nineteenth Floor:—Office of the Executive Committee of the Board of Directors.

Twentieth Floor to Twenty-first Floor:—Water Tanks.

Twenty-Second Floor:—Tower for the Fire Brigade of S.M.C.



View of Bedroom at New Park Hotel


MODERNIZATION PAYS
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NO FOOD CONTAMINATION
NO TROUBLE IN ORDERING, STORING OR MOVING FUEL
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Shanghai Power Company
Head Office: 95 NANKING ROAD :: TELEPHONE 1101

Organization and Management

The International Hotel Company, Limited, was formed to erect and maintain the Park Hotel. The officers and directors are as follows:

DIRECTORS:

Dr. W. W. Yen, Ambassador to U.S.S.R.; Dr. C. T. Wang, Ex-Minister of Foreign Affairs; K. P. Chen, General Manager of Shanghai Commercial Savings Bank; Y. F. Kwei, Manager of Realty Department, National Commercial Bank; Dr. T. C. Wu, General Manager of Yien Yieh Commercial Bank and J.S.S.; T. M. Chow, General Manager of Kincheng Bank; Y. Hou, General Manager of China and South Sea Bank; F. B.Hsu, General Manager of Continental Bank; Dr. Y. M. Chien, Assistant General Manager of J.S.S.; Fred C. Sze, Manager of J.S.S.; Jean Z. Y. Horn, Sub-Manager of J.S.S.; Sheng J. Wang, Manager of Credit and Research Department J.S.S.; Z. L. Loo, Chinese Manager of Bills Motors.

Managing Directors:—Out of the thirteen members of the Board of Directors, five were selected to serve as the managing directors. They are: Dr. Y. M. Chien, Chairman Fred C. Sze, Jean Z. Y. Horn, Sheng J. Wang and Y. F. Kwei.

Superintendents of Affairs:—C. Chen, T. Chow and T. H. Ming.

The management of the Park Hotel is under the capable direction of Max Schibler, former manager of the Shanghai Astor House, and Z. L. Loo, the assistant manager. Other members of the working staff have also had years of experience in hotel or institutional work, in addition to specialized training in their particular fields.

Restaurant Services:—All possible arrangements for preparation and service of fine foods are being made by the hotel to provide a wide choice of cuisine for the public. A large supply of up-to-date equipment for the kitchen, such as, automatic dishwashing machine, aluminum cooking utensils, etc., have been specially designed and imported from the United States. A whole outfit of the Bordorf silverware for use in the dining room has also been shipped here from Austria. A French chef of fame is in charge of all kitchens.

Furnishing Problem.—Having in mind to meet the requirements of every modern taste, the hotel has spent millions of dollars during these two years of construction. The furniture, which is made of expensive imported walnut and oakwood, is in classic late style. The best work of this furniture is supplied by three companies, namely, the Arts & Crafts Company, the Tai Chong Company, and the Sincere Company. Different floral ornaments are found along the stairway on each floor. Carpets and rugs are specially designed in harmony with furniture and walls. The entire floor space throughout is covered with colorful inlaid rubber.

All these arrangements were carefully developed and co-ordinated by leading interior decorators and architects.

Dining Room.—The dining room is spacious and dignified. Oakwood veneer is used for the walls. Lighting is supplied by brilliant illumination from the top and sides. The decorative treatment of the whole room is modern and impressive.

Grill Room.—Planks of Austrian walnut with silver inlays have been used for the walls. A floor for dancing occupies the center of the room. Lighting is semi-indirect from the ceiling. The decorations and furnishings harmonize throughout.

Lounge.—The lounge walls are covered with black marble inlaid with ebony. Bronze fixtures and comfortable chairs, upholstered in different attractive colors, characterize the whole lounge. The corridors overlook the race course, and are suitable for dining or for spectators.

Roof Garden.—The Roof Garden takes in a wonderful view of the city. Its appropriate arrangement creates a friendly social atomosphere and rendezvous for Shanghai landers and visitors. Adjoining the Roof Garden are ladies' and men's rooms and check rooms. The Roof Garden is also served by its own kitchens and pantries.

All in all, a very up-to-date hotel as you will confirm by a visit. The hotel will be open for business from November 12.

70-413

This Prolonged Armistice

BY C. Y. HSIEH (謝志耘)

IT WAS with a universal outburst of gratitude that the war-wearied and exhausted world of November 11, 1918, greeted the news of the signing of Armistice. Everywhere men heaved the sigh of relief that the greatest horror in history was to end at last. While the chorus "Le jour de gloire est arrivé" rang out from shore to shore, the coming of a millenium was freely predicted. Weren't the arms, it was argued, to be beaten into ploughshares? Wouldn't the employment of these tools by the disbanded man-power at the fronts vouchsafe a regime of plenty and happiness? Assured of food, nations may leave the rest to be taken care of by the Fourteen Points of President Wilson, that Messiah of the twentieth century. Yes, celebration was in order. The guns on the front lines, booming for the last time perhaps, let off excellent fireworks. To the amusement of the well-humored world but the consternation of the humorless governments, soldiers of the opposing forces began to fraternize with each other across the trenches. Even the Germans felt sure that if they could somehow or other dispose of their Kaiser, all would be well with them. This—call it what you may, folly or hysteria—was the mood of the world in November, 1918.

To-day, sixteen years later, the same world is asking itself with pain and agony whether a worse lot could have befallen it had the course of events taken a different turn. Perhaps it could; as reasonably it could not. It is a matter of conjecture. But this is not to the point. The point is that as between the existent situation and the hypothetical worse, the average man, the man in the street fails to see any difference.

The crucial fact is that whereas an armistice should be followed by peace, the greatest armistice in history was not followed by so much as a tolerable peace settlement. Its concluding did not terminate the struggle begun in 1914, but was the signal for its continuation, on an undoubtedly larger scale, with other and, in some respects, more deadly weapons.

Barren Statemanship at Paris

At Paris barren statesmanship erred and blundered, trying in vain to draw up a charter for a new world order. The resultant Treaty of Versailles was made amidst execrable desires for a division of the spoils of war at the expense of the vanquished. As such it satisfied no one, not even the victors. It failed to induce the former belligerents to bury their hatchets and had been the cause of many subsequent international incidents, each threatening to upset the delicate balance of peace. It took seven years of what may be called continuation conferences to make European atmosphere wholesome enough to breathe. The monument to these efforts was the Locarno Treaties whose fundamental spirit can best be appreciated by recalling Stressemann and Briand getting along like a fondest pair of old pals.

But the period of reason was short-lived. Soon the economic depression set in and swept everything in its way into chaos and misery. The causes of this unprecedented crisis are many and complicated, but it suffices for our purpose to mention that failure of an early world recovery from effects of the last war and post-War economic nationalism could not but bring about the inevitable. And both of these factors were in turn the results of short-sighted and aggressive national policies. It would not be far from truth to say that ever since politico-military peace was proclaimed at Paris, it had been slowly but surely nullified by an economic war. Depression is therefore merely the economic version of the state of complete exhaustion and prostration in which the belligerents found themselves toward the end of the War. But folly did not seem yet to have touched its limits. For even in the efforts toward recovery from depression the nations have not learned that in cooperation and cooperation alone lies the way out. The mad scramble and struggle when all are deep in the mire could have no other result than that all would go down and perish. It is with such augury that our terrible thirties opened; whither they will lead remains to be seen.

But hard times are not entirely without compensation to people who can take their lessons in good part. Generally speaking, there are two types of reaction to trying circumstances. Those on trial will either be chastened and corrected of their folly, or they will be driven to desperation, thereby preferring risks and chances to sane and honest work. The former type is an unmistakable sign of salvation, whereas the latter points to further and greater calamities. There can be no question as to which type of reaction is that adopted by the world at present. Fascist and extremist tendencies have taken mushroom growth in many states, threatening wherever they are strong to strike liberty and tolerance at their very root. Young minds have been poisoned with the rank falsehood that patriotism is synonymous with hatred of foreign countries. As a result, national jealousies and racial prejudices are more rampant to-day than they have ever been. With such mentality to exploit, there is little wonder that leaders of some aggressive and expansionist Powers have tried to lay the foundation of their empires on the sure ruin of other countries.

Dictatorship Instead of Democracy

In a word, it seemed as if the nations paid the supreme sacrifice for the Great War to make the world safe, not for democracy, but for dictatorships and imperialistic adventures. Sixteen years are not such a long time, but to a forgetful world they are like as many decades. In a way the recent deaths of such persons as King Albert, President Hindenburg, M. Poincare, and General Kluck—all prominent figures during the War—seem to mark the passing of the fateful generation. But what hope is there that out of the terrible ordeal now going on will emerge a new and wiser generation.

If the observance of the Armistice Day awakens sombre reflections on the international situation in general, it revives no less bitter disillusionment so far as China is concerned. When China entered into the World War on the side of the Allies, the representatives of the latter in Peking pledged their several governments to accord China, upon the termination of the War, the treatment due to a great nation. The part China played in that gigantic struggle was only secondary, it is true, but it was all that she could do under the then existing circumstances. Nor must it be lost sight of that one of the Allies had all along been obstructing—in fact forcibly opposing—China's active participation. But whatever China's role in the War, the fact that she had held steadfast to the Allied cause should entitle her to a fair consideration and redress of her past grievances and the satisfaction of her legitimate aspirations. But instead of justice she was given fresh wrongs, because she got for her services to the Allies nothing other than the change of control over a part of her territory from Germany to Japan. Evidently she was classified for all practical purposes among the vanquished!

This betrayal by the Versailles Treaty had a more decisive influence on her political destiny than most people would be inclined to admit. Directly it means a setback to her rightful aspirations which had to be reasserted and fought over again three years later. But far more significant is it to note the sequence that the injustice done to China was one of the main reasons which caused the refusal of the American Senate to ratify the Versailles Treaty, the consequent defeat of President Wilson and America's staying out of the League of Nations. That last fact was largely respnosible for the weakening of the Geneva body so that Japan could count on impunity when she launched her Manchurian adventure, with the disastrous results to China and the world now familiar to us of all.

A prolonged armistice this is indeed, that sixteen years after its conclusion nations in the East and the West have still to ask themselves if peace is possible. But then it will be fortunate for the people of the world if it may be further prolonged until peace—just durable peace—should come to stay. For, the alternative would be unthinkable.

Japan Studies English Scientifically and Thoroughly

(Extract from an Editorial in the "Japan Advertiser," Oct. 19)

Although the official language of the International Red Cross Conference is still French, it is simply that for the convenience of delegates English is unofficially taking its place. On the other hand, one is reminded by the conference of the Japanese Institute that in Tokyo, in the capital of Japan, thousands of miles from any nation of which English is the mother tongue, the problems of scientifically inculcating that language are being studied and solved with a thoroughness certainly unrivaled in either Britain or America. We see English being almost unconsciously adopted as an international language and we see a conscious recognition of its role present and future expressed by the eagerness of this progressive nation to see that it is well taught both here and elsewhere. One whose mother tongue is English always feels some diffidence in expressing satisfaction at this observable tendency, for it savors of an assertion of national —or at least linguistic—pride. Yet surely, from an objective point of view, it must be a matter of congratulation that at a time when internationalism, political and economic, is so frankly suspect, the process of linguistic internationalization, as far as an auxiliary medium is concerned, goes on apparently without any interruption.

Business and Battleships

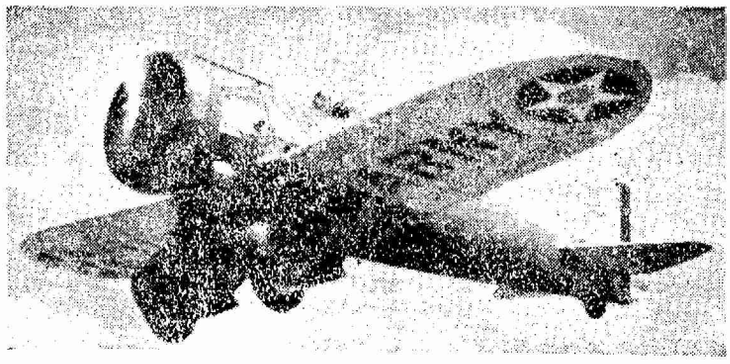
Editor, *China Weekly Review*:—

A Japanese Admiral stresses the point that Japan must have a larger naval ratio as a matter of prestige, and an American Admiral stresses the need of a larger American Navy as an aid to developing American commerce in the Far East. Both countries seem to over-estimate the value of military prowess in getting business in this part of the world, for apart the fact that it frequently happens that the profits from the business are less than the cost of protecting the business, the profits go into the hands of a few people, whereas the cost of the protection has to be paid by the public in general from the various countries that furnish it. China furnishes an example of three countries developing enterprises in China out of all proportion to their size, and with no military or naval power to speak of. These three countries are Belgium, Denmark and the Netherlands. Belgium secured important railway, mining and financial concessions; Danish companies developed the telegraph systems in China; and Dutch companies and engineers developed the harbors of the country.

PRACTICAL.

Shanghai, Nov. 3, 1934.

IT'S HERE!



BOEING FIGHTER P-26A

A DEMONSTRATOR
WILL SOON BE EXHIBITED
IN CHINA.
THE STANDARD FIGHTER
FOR THE UNITED STATES
ARMY AIR CORPS.

BOEING AIRPLANE COMPANY, INC.

UNITED AIRCRAFT EXPORTS, INC.

HAMILTON HOUSE SHANGHAI

"Emergency Profit" Taxes to Be Imposed in Japan

The Japanese Finance Ministry has reached a formal decision to impose the new "emergency profit" tax as a means of covering part of the Yen 600,000,000 deficit in next fiscal year's budget. The decision was reached Nov. 4 when the officials of the Finance Ministry held a meeting, despite the fact that it was a Sunday.

In view of the unexpected and serious opposition of political and financial circles to the reported tax increases, S. Fujii, Minister of Finance, (according to *Rengo*) has decided to give up his plan to raise postage rates. He is also expected to abandon his plan to carry over railway revenues from the special account to the ordinary budget for the next fiscal year, 1935-36.

The draft budget approved by the Finance Ministry totals Y.2,042,890,000 revenue, which includes Y.604,780,000 to be raised by the issue of bonds, and Y.7,000,000 surplus carried forward from this year, and Y.2,042,890,000 expenditure which includes Y.749,220,000 extraordinary expenses.

Next year's issue of bonds comprises Yen.440,000 of road-construction bonds, over Y.7,000,000 earthquake-rehabilitation bonds, Y.148,000,000 bonds in connection with Manchurian affairs, and over Y.447,000,000 worth of bonds to meet the budget deficit.

The Estimates by Ministries

Divided by Ministries, next year's estimates comprise:

Civil List, Y.4,500,000; Justice Ministry, Y.37,950,000;
Foreign Office, Y.27,860,000; Education Ministry Y.144,720,000;
Home Office, Y.119,560,000; Communications Ministry, Y.188,560,000;
Finance Ministry, Y.480,080,000; Overseas Affairs Ministry Y.22,150,000;
War Office, Y.451,100,000; Agriculture and Forestry Ministry Y.63,590,000;
Navy Office, Y.490,040,000; Commerce and Industry Ministry, Y.12,720,000.

The Finance Ministry officials emphasize that none of these figures are final, as the approval of the Cabinet, the Imperial sanction and the passage by the ordinary session of the Diet are necessary before the budget can come into effect.

An extraordinary session of the Japanese Diet will be convoked on November 27, and will last a week. It will deal first with relief measures.

Japanese Shipyards Too Busy to Build for Siam and Turkey

Japanese shipyards have turned down requests from Turkey and Siam to build war vessels on the ground that they are busy with domestic orders. Turkey enquired for six submarines and two submarine tenders, Siam for a tanker and a mine-layer.

1,000 Students from China Now in Japan

A total of 1,000 Chinese and "Manchurian" student went to Japan for study in September and October this year, as compared with 800 in 1929 and 1930.

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Japan's Business Enterprises Show Handsome Profit

A 9.8% profit was made by Japan's business enterprises in the first half of this year, according to figures compiled by the Mitsui Gomei Kaisha, the holding concern for the vast Mitsui interests. Of the 1,250 business establishments, including joint stock companies, partnership, mutual insurance companies and others, only 73 are shown to have suffered losses during the period. The 1,177 successful enterprises made a total of profit Yen 396,000,000, while the losing businesses lost only Yen 12,600,000. The net profits of all the companies showed a profit of Yen 384,100,000, or a 7.6% profit on the total subscribed and 9.8% on the total paid-up capital.

Brazil's Labor Laws Not Anti-Japanese, Says Ex-Ambassador

Mr. Hayashi, the former Ambassador to Brazil, whose diplomatic career received a setback on account of the new Brazilian immigration law, interviewed on his arrival at Yokohama last week said that although the legislation may appear at first sight pronouncedly anti-Japanese, on closer study this impression will be found to be mistaken. The flood of unemployment in that country compelled that enactment to be enforced against Japanese immigrants as much as against European. He said he could confidently say that Brazil remains more friendly to Japan than any other country in the world.

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Japan Again Asks Protection for Nippon Farmers in Arizona

Hiroshi Saito, Japanese Ambassador to Washington, called on the Assistant Secretary of State, Mr. Philips, Oct. 31 and asked the State Department to take steps to prevent the recurrence of Arizona disorders. Mr. Saito also informed Mr. Philips of the contents of a report on the bombings of Japanese farmers in the Salt River Valley, Arizona, on October 29,

prepared by Mr. Horiguchi, Japanese consul at Los Angeles, who made a special investigation on the scene of the bombing.

New York "Herald-Tribune" Backs Japanese Protests

All Americans of good faith must admit that the protests of the Japanese Embassy against the recent events in Arizona are fully justified, the New York *Herald-Tribune* wrote, commenting editorially Nov. 6. If the United States insists on playing the role of a civilized nation, the editorial concludes, these violations of the rights of man must cease.

***

Japan's Airdromes in the Mandated Islands

Allegations that Japan is fortifying the ex-German (now mandated) islands in the Pacific have frequently been made. The question arose once more at Geneva Nov. 5, when questions regarding disbursements amounting to 800,000 yen for the construction of harbors and also for the alleged construction of airdromes, were raised before the Mandates Commission of the League on the report of the Japanese Government on the Pacific Islands.

The chairman pointed out that the best means by which Japan could end allegations that foreigners were not allowed to visit the islands or were subject to the strictest surveillance, would be to remove all restrictions. Mr. Ito, Japanese Minister at Berne, in reply, declared that many reports regarding this matter were "tendentious,"* while in other cases, the authorities had been obliged to take special measures owing to the possibility of local disturbances.

*This word is not in Webster's International. The Oxford Dictionary defines it thus: "Having a purposed tendency."

Japan Proposes "Peace Plan" for Siberian Border

The Japanese are still working on their "peace plan" with the Soviets. The Japanese propose the establishment of a demilitarized zone extending 50 miles on both sides of the Soviet-Manchurian frontier. The erection of fortresses and other military constructions, as well as the stationing of troops would be prohibited in the demilitarized zone. They propose that a commission be appointed to deal with all controversies as local issues, and establish its headquarters in Harbin and branches in Manchouli, Pogranichnaya and a few other important towns.

"Asia" Train Makes Dairen-Changchun Trip In 8 1/2 Hours

The new supper-express train "Asia" of the South Manchuria Railway Company now covers the 701 kilometres between Dairen and Changchun in eight hours and a half. Considered the fastest train in the Orient, it commenced its scheduled daily runs Nov. 1. The average speed of the "Asia" is 51.21 miles an hour. Many trains average over 60 miles an hour and some over 70 on daily runs for short distances. The only comparable run is that of 450 miles from London to Edinburgh on which the L.N.E.R. train averages daily 52.4 miles an hour.

A Manchurian Bandit in a New Role

A thrilling fight took place on the roof of a Kobe bound train in the small morning hours of Oct. 27, while the train was passing between Tsuruga and Numazu stations. The last two coaches of the train were filled with girl students coming back from their school excursion. All the girls were sleeping when a man came into the coach, and stole purses from several students. But one of the girls woke up, and noticed the man attempting to steal a purse from her friends. She at once called the conductor, Hideo Suzuki, who eventually found the man at the back of another coach. There was a sharp fight, the conductor getting the worst of it, being half choked. However, when he got his breath back, he followed the thief on to the roof of the train, where the two men had another short battle on the top of the swaying coaches. Eventually both men rolled down, crashing on to the track, clear of the train. The conductor, having injured his legs, was unable to pursue the thief who took to his heels, though apparently injured. He was later arrested near Nagaizumimura, at the foot of Mount Fuji, a policeman taking him into custody when he noticed blood stains on him. The thief has refused to tell the police his name, but he boasted that he was once a member of a bandit gang in Manchuria.

2,800 "Irregulars" Give Up Struggle

Two thousand eight hundred "irregulars" Oct 31 announced their submission to "Manchukuo," after having been surrounded at Mishan. They later took an oath of loyalty to Pu Yi.

The Ministry of Defence at Changchun announces that the "bandits" in Manchuria have been reduced from 300,000 in 1931 to 40,000 as of September this year.

Manchukuo Branch Bank Is Victim of Clever Swindle

A sum of Yen 460,000 was tricked out of the branch of the Manchukuo Central Bank at Chinchow, Oct. 17, when two Chinese, self-styled clerks of the Central Bank, appeared at the Chinchow branch and asked them to forward Yen 460,000 in cash to their own bank. On the strength of documents which were later found to be forged, the Chinchow branch complied with the request and made all the arrangements to send the money. In the meantime, the two men left the bank, and later came back to get the Yen 460,000. They actually packed the notes in two trunks, left them in the banks vaults for the night, and took them away next morning.

Steel Works in Kramatorsk Officially Opened

One of the most important parts of the vast industrial structure being built by the Soviet Union, the Stalin-Kramatorsk Machine Building Plant, was officially opened at Kramatorsk.

This plant occupies a fundamental position in Soviet industry, for here are being built the machines for hundreds of other factories producing everything from lace to locomotives. Its vastness may be judged from the fact that it has thirteen departments, occupies 400 acres and employs 15,000 workers and 1,377 technicians.

Japan Purchasing Pig Iron in Soviet Russia

Japan has a contract for importing pig iron from Russia as the result of negotiations between the Pig Iron Joint Sales Co. and the Soviet commercial representation in Tokyo. The contract provides for the purchase by Japan of 40,000 metric tons of Russian pig iron within the year.

Tokyo Spokesman Says Soviets Want Too Much in C.E.R. Sales Talks

The principal barrier to early conclusion of the Chinese Eastern Railway sale is Soviet Russia's demand that Japan should gurantee Manchukuo's payments, it was indicated by a spokesman of the Japanese Foreign Office during a press interview Tokyo, Nov. 2. The spokesman said that, because of certain technicalities, Manchukuo desired the Soviets to operate the railroad for a month after the transfer. The Soviet Government, he said, has demanded the right to retain the Soviet Consulate and certain schools and other buildings belonging to the railroad. "Manchukuo is entirely willing that the Soviets should use the Consulate but they cannot use the school. Manchukuo intends to purchase all the properties belonging to the railroad and the schools are included."

The spokesman explained that the Soviet Government possesses 3,000 freight cars belonging to the Chinese Eastern Railway. He said that the railroad has been supporting the Soviet Consulate in Harbin.

No Agreement So Far

No agreement was reached on the question of the Japanese guarantee of "Manchukuo's" payments for the North Manchuria Railway (C.E.R.) at a meeting between C. Yureneff, Soviet ambassador, and K. Hirota, foreign minister, in Tokyo Nov. 6.

Russian Reports Allege Japan Backing Banditry Along Chinese Eastern

Tass telegrams state that a group of bandits headed by a certain Hsin Shun now resides openly at the station Shihtouhetze on the eastern line of the C.E.R. The Japanese-Manchurian authorities provided Hsin Shun and his staff with quarters and imposed on the local "Commercial Society" the task of supplying his detachment with everything necessary. Hsin Shun loots and terrorizes the local population. Hsin Shun has promised the authorities to cease his wrecking activities between the stations Shihtouhetze and Haiolingtze (the region where trainwrecks were formerly most frequent); however, he openly says that, if the Tokyo negotiations end in failure, he will again receive salary from the Japanese for the organization of train wrecks.

Soviets Celebrate 17th Anniversary of October Revolution

The Soviet Government celebrated the seventh anniversary of the October Revolution Nov. 7 (the difference in date is accounted for by the change in calendar) at Nanking. The ceremonies were conducted by I. Spilvanek, Charge d'affaires of the Soviet Embassy.

The slogans published at Moscow Nov. 1 by the Central Committee of the Communist Party in commemoration of the 17th

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anniversary of the November revolution were markedly pacific and mild in tone. There was a complete absence of slogans directly aimed against Japan—a conspicuous contrast to the aggressive nature of the slogans last year, Among the slogans dealing with international relations, one voiced encouragement to the rebels of the Spanish Republic. The mild tone of this year's Soviet slogans is interpreted as an indication of the growing policy of international co-operation which the Soviet Government has recently been stressing.

Russia Bows to Human Nature

BY WILLIAM HENRY CHAMBERLIN*

(*in Current History*)

THE communism of Russia as it is evolving today shows no indication whatever of becoming a system of communal living and equal sharing. The whole emphasis of the great change which the revolution has brought about is placed on abolishing the possibility of permitting one man to employ others for the sake of making a profit. Its concern is not that every one should receive the same wage but that the State, in one form or another, should be the universal employer and the general paymaster.

Communism has its non-material incentives. Much of the extensive national propaganda effort is devoted to praising efficient workers and denouncing slackers on "the labor front." In line with Stalin's declaration that "the country must know its heroes," feats of scientific and labor achievement are prominently described in the press; and such decorations as the Order of Lenin and the Order of the Red Banner of Labor are awarded to men and women who have especially distinguished themselves. In Moscow's chief amusement park one sees in the Udarnik-Allee the *udarniki* of Moscow factories commemorated in sculpture by Soviet artists. An extensive system of "Socialist competition" among factories which try to beat one another's records in increasing output and reducing costs, and among groups of laborers in factories and on construction enterprises, has been put into effect.

The value of these Socialist incentives so far has, however, been distinctly secondary. Experience has shown that the main desire of the Soviet worker or employe is not unlike that of the worker or employe in any other country—to improve his material condition in life. That is why the policy of sacrificing the material well-being of the people to the program of expansive and intensive new building during the first Five-Year Plan seems, in retrospect to have been highly questionable, even from the purely economic standpoint. The provision of more beefsteaks and shoes, more shirts and gramophones would probably have stimulated higher productivity of labor and brought about surer and more genuine, if less spectacular, industrial progress.

A final answer cannot yet be given to the fascinating question as to what kind of balance will finally be struck between the power of the most totalitarian State in the world and the scope of the individual personality in the Soviet Union. In the early years of the first plan the tendency was strongly in the direction of flattening out the individual under the collectivist steamroller. Stalin's six conditions for the efficient management of Soviet industry, proclaimed in the Summer of 1931, heralded an important change, and since then the Soviet leaders have shown more inclination to give the material interests of the individual fuller consideration within the iron framework of an economic system that permits no private ownership of means of production.

One of the paradoxes of Soviet development in fact is the circumstance that the huge process of industrialization in which the Soviet leaders see the final triumph of collectivism is demanding, for its successful functioning, more and more regard for the interests and desires of the human beings who must operate it. Indeed, a main problem of the Soviet Union is to find out how much individualism must be conceded in order to make a collectivist system work, just as a main problem in other countries is to discover how much collective control must be established in order to make an individualist system work.

*Mr. Chamberlin, for many years Moscow correspondent of *The Christian Science Monitor*, will early next year become Far Eastern representative of that newspaper.

No More British Maneuvers North of Great Wall

Sir John Simon made an announcement in the House of Commons Nov. 4. that (the telegrams from London say) evoked laughter in the House. A similar laugh was doubtless caused in Japan. It will be remembered that some months ago a dispute arose between the Japanese and British Commanders at Shanhaikwan because the British troops, following established custom, had carried out exercises just outside the Great Wall. The Japanese made a protest. Sir John Simon said that equally suitable ground for the exercises inside the Great Wall had been found and the British Government, not desiring to be drawn into a discussion on juridical questions, had decided that British troops in North China should abandon the practice of carrying out exercises beyond the Wall.

THE GIST OF JAPANESE PRESS OPINION

America, England, and Holland recognize Manchukuo enough not to send their protests to Nanking.—*Osaka Mainichi.*

The Powers not recognizing Manchukuo have yet to learn that they have no grounds for complaint whatever about what is taking place in Manchukuo. America and Britain lately protested to Japan for legislation in Manchukuo, but naturally and properly Japan's reply was her non-responsibility.—*Tokyo Jiji.*

We regret that America has protested with the Japanese diplomatic authorities against the Japanese oil enterprising act as "impairing the American business right already legitimately secured." That such protest is groundless is plain from the nature of the Act.—*Tokyo Asahi.*

The present unstable condition of Manchukuo's currency is more due to the ununified status of the Manchukuo-Japanese economic systems than to deflation. Japan is the greatest investor in Manchukuo, and it will be well for both countries to take the present opportunity of harmonizing their currency systems on a more practical scale.—*Osaka Asahi.*

America is greatly mistaken if she insists on the existing ratios because Japan signed the Washington Pact. For Japan signed the agreement in the hope of making up the deficit in her State defence by means of auxiliaries. But even in this attempt, she failed because of the London Pact.—*Tokyo Miyako.*

The prospects of the London Pourparler necessitate Japan remaining on constant guard. Past masters in the art of international propaganda, the Powers may resort to unexpected flank attack. One sign of this already asserts itself in the recent protest about Manchukuo legislation. Japan must remain determined.—*Tokyo, Yomiuri.*

There are at least two factors that render the American policy of upholding the existing naval ratios irrational. One is the changed situation in the world and the other the improperity of the ratio theory of disarmament. To deny Japanese policy would be as much as to assert the non-necessity of the pourparler.—*Tokyo Nichi Nichi.*

Japan's decision to terminate the Washington pact should not be considered as a manifestation of Japan's unfriendly spirit towards America, any more than the latter's alleged intention to propose introduction of political problems for discussion in the disarmament parley should be considered as an unfriendly manifestation by America towards Japan.—*Tokyo Asahi.*

The Japanese place unconditional confidence in their Government on disarmament, and the authorities are not only expected to make public the proceedings but to succeed in carrying it through. The Government is obligated to employ diplomatic efforts for its success.—*Tokyo Hochi.*

America seems opposed against the Japanese disarmament plan on the ground that Japan "was satified with the Washington Pact as ensuring her sense of national security." It must be pointed out that the Americans are completely ignoring the duress under which Japan signed the Pact, and the changed conditions of the world.—*Tokyo Nichi Nichi.*

Once more the unreasonable attitude of the Dutch has cast a dark shadow over the prospects of the Batavia parley. If the conference fails, the Dutch will immediately enforce restrictions on Japanese commodities and compel Japanese traders in the islands to submit to a license system. These measures will be a hard blow to the Japanese, but perhaps they cannot be avoided. Eventually, however, rupture of the conference will harm the Dutch more than the Japanese.—*Tokyo Usahi.*

Farmers in North-Eastern Japan are now in extreme distress from famine and cold. Their relief should be at once penetrative and prompt. Such sufferers, however, are not limited to the Northern quarters alone. Their immediate relief is as essential to social security as military strengthening is to the sense of national security.—*Osaka Asahi.*

All the high officials of the Home Office will contribute 3 per cent of their monthly salaries to the farm relief funds for the next six months. This is a most generous offer by officials. It is this spirit of national collaboration indeed that saves Japan from the difficulties around her.—*Tokyo Nichi Nichi.*

Japan's controlled economy seems of late to be considerably disturbed according to the indications of steel and cement markets. In either case economic control is poorly maintained and the fact is that the results will be serious unless the enterprisers in general are on guard against possible reaction of such an abnormal status.—*Tokyo Hochi.*

The Finance Minister is justified in his reported decision on the increase of taxes. But in order to impart proper significance to the present decision, the Minister must be expected not only to cut the military estimates as far as possible, but also to have recourse to a more general reform of the taxation system.—*Tokyo Chugai.*

The present slump of stock quotations shows that the economic circles are unduly nervous about the Government policy of finance, and taxation.—*Tokyo Jiji.*

The C.E.R. negotiations are once again in impasse. This is not surprising since the Soviet Government's offer to dispose of the C.E.R. is only a maneuver of its masqueraded peace policy. That is clear from the past attitude and claims of the Moscow authority during the prolonged C.E.R. negotiations. This Japan must see.—*Tokyo Kokumin.*

How the Rivals in the Pacific Stand Financially

The relative current financial position of Japan and the United States can be seen in the following parallel columns. It will be seen that America's current deficit is about five times that of Japan's. America's resources are, of course, very much greater than those of Japan's and in a financial contest America would undoubtedly win. Both countries will, however, probably devaluate their currency still further as a means of meeting their debts and their deficits. Japan's present depreciation as measured by gold is about 65 percent; America's 40 percent.

JAPAN'S DEFICIT, YEN 615,000,000

Tokyo, Oct. 31.—An increase in taxes, although it may be small, has been decided by the Japanese Finance Ministry as the only solution of the budget deficit dilemma of the fiscal year 1935-1936. Mr. Fujii unwillingly turned to the increase alternative in the conviction that the full amount of the deficit cannot be covered by a new bond issue. He had at first placed the amount to be raised by higher levies at Yen 100,000,000, but it was later stated that the Finance Minister actually plans to realize only about Yen 30,000,000 by that means. It is judged that the bond-buying ability of the nation might prove inadequate if loans were depended on to cover the **entire deficit which is expected to be at least Yen 615,000,000.**

U.S. DEFICIT PASSES BILLION MARK

The deficit of the United States government for the present fiscal year passed the $1,000,000,000 mark Nov. 1. Excess of expenditure over receipts totalled $1,026,788,000, while gold receipts, which exceeded $2,000,000, raised the total of the treasury's gold assets to $8,000,062,000, the first time that the figure exceeded $8,000,000,000. Emergency expenditures during the present fiscal period amounted to $1,208,184,000. An increasing number of silver certificates were issued during this period against silver purchased by the treasury under the Silver Purchase Act, while over $50,000,000 was obtained from the issue of certificates against metal previously held by the United States Treasury.

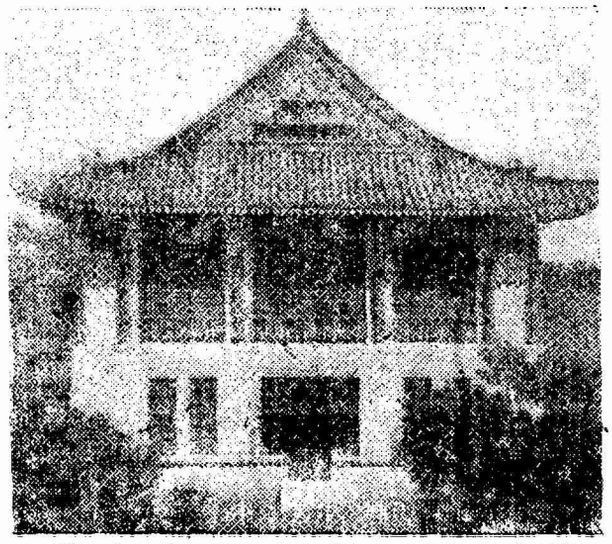
W. R. Johnson Secures Control of Tobacco Products Co.

W. R. Johnson, of Shanghai, announced in New York, Nov. 1, that he had gained control of the entire stock of the Tobacco Products Co. for China. He is due back here in December. The Tobacco Products Co. is associated with Liggett and Myers Tobacco Co. (China), the former doing the manufacturing of all brands of both companies, while the latter acts as sales agent for both.

Ginling College Dedicates New Buildings

Dedication ceremonies for the new Chapel-Music Building and the Library-Administration Building a Ginling College, Nanking, were held in connection with the Nineteenth Annual Founders' Day celebration Nov. 3, 4 and 5. Dr. H. H. Kung and Dr. Hu Shih were among the speakers. A concert was given by Miss Hwang Yu-kwei of Soochow University and Benjamin Chih Cheh of Shanghai, assisted by the Ginling Glee Club and music students.

The exercises marked the completion of the academic quadrangle of Ginling College as planned and financially provided for in 1921-23. The funds were raised in a joint campaign for seven oriental colleges in China, India, and Japan, under the leadership



The above is a front view of the new Library Building at Ginling College, Nanking, which was formally dedicated at ceremonies held Nov. 4 and 5.

of Mrs. Peabody. A total of U.S.$3,000,000 was raised, of which Ginling's share was U.S. $600,000. The two new buildings, like the other academic buildings and the four dormitories, are in the adapted Chinese style and were planned by Henry Killam Murphy of New York and Shanghai.

The Library also contains the offices of academic administration and a group of departmental offices for the Arts faculty.

The Chapel is more picturesque. The first floor and mezzanine are given over to the work in music. There are two large studios, twenty-two practice rooms, and offices and teaching rooms, allowing for growth in the work of the department. Above these rooms is the chapel, which will also serve as auditorium and concert hall, seating, with the gallery, at the north end, more than six hundred persons.

During the nineteen years of the history of Ginling the student enrollment has grown from nine to 213. In addition to the college students there are 74 senior middle school students in the Practice School under the Education Department of the institution. Dormitories are crowded to capacity and further provision for housing must be made to meet the normal growth of the student body.

Nanking News Notes

Dr. W. Mackenzie Stevens, newly appointed professor of co-operative marketing at the University of Nanking, addressed the Nanking Rotary Club on Nov. 1 on the successes and failures of co-operatives in the United States.

The University of Nanking tennis team won the Kiangan Intercollegiate tennis tournament last week. The University of Nanking Middle School track team won the Nanking City Track Championship for Middle Schools. Hwei Wen Girls School won the championship for girls middle schools.

Dr. Liu Wen-tao, the newly appointed Chinese ambassador to Italy, addressed the student body of the University on Nov. 2.

"New Life" Banquet Given by Gen. Huang Fu for Gen. Chiang

Over 200 Chinese guests were present at a dinner given in Peiping, Nov. 3 by Gen. Huang Fu, Chairman of the Peiping Political Council, in honor of Gen. Chiang Kai-shek. Instead of the usual elaborate dishes, Gen. Huang and his guests were served in accordance with the rules of the New Life movement—a simple meal consisting of soup and three courses. Neither cigarettes nor wine were served. Among the guests was Marshal Wu Pei-fu, the poet-soldier, who sat next to the Generalissimo. It is believed that this was the first meeting of the two.

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Manchukuo Oil Co. Sets Up Refining Plant at Dairen

The Manchukuo Government Oct 31. announced the organization and operation of a semi-official concern called the Manchukuo Oil Company, for the control of oil. The company which was incorporated in March, has already started business. The company has set up a refining plant at Kanchingtzu neat Dairen, and is capitalized at Yen 5,000,000, which is divided into 100,000 shares. The Manchukuo Government has subscribed Yen 1,000,000, the South Manchuria Railway Yen 2,000,000, the Nihon Sekiyu Kaisha (Japan Oil Company) Yen 500,000, the Mitsui Bussan Kaisha Yen 500,000, the Mitsubishi Goshi Kaisha Yen 500,000, and the Ogura Petroleum Company Yen 500,000. It is to be noted that this refining plant will mainly handle the output of the oil derived from shale at Fushun. This huge plant is unable to compete in the open oil market and the oil monopoly is invoked mostly for the purpose of making the "Manchus" pay enough for oil to cover the shale plant's losses.

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Apply to "Manchukuo," Says Japan to U. S. and Britain

All responsibility for the Manchukuo oil monopoly law was disclaimed by the Tokyo Foreign Office Nov. 5 in its replies to the protests by the United States and Great Britain.

Japan's reply to the British and Amerian protests was that the industrial control contemplated by Manchukuo is an internal affair which falls under Manchukuo's jurisdiction. Therefore, Manchukuo's proposed control of oil cannot be regarded as a violation of the principles of the open door and equal opportunity.

The contents of the reply can be summarized as follows: "The control of oil in Manchukuo falls under the jurisdiction of the Manchukuo Government, and the Japanese Government is in no way concerned with it. Therefore, the Japanese Government is not in a position to give any explanations in the matter. The Tokyo Foreign Office also considers it appropriate for the Governments concerned to enter into direct negotiations with the Manchukuo Government. The Tokyo Foreign Office averred that the "open door" policy in Manchukuo has not been violated, since there has been no discrimination against the nationals of other countries.

The note addressed by the U.S. Department of State to Tokyo protested the planned petroleum monopoly as a violation of the "Open Door" principle. In spite of Japan's suggestions, no note will be addressed by Washington to "Manchukuo" on the subject, for as the New York *Times* points out, it would be tantamount to a recognition of the Changchun government.

None So Blind as Those Who Will Not See

(*From the Peiping Chronicle*)

Weeks ago, even months ago, the foreign oil concern—by "foreign oil concerns, we mean of course non-Japanese concerns, for Japanese concerns are not aliens in Manchuria they are more native than the "Manchus" themselves—operating in Manchuria became aware that a scheme was on foot that would in time spell their eventual exclusion from the Manchurian market. They called the attention of their own governments to what was going on and likely to come on, but those government were very slow to call attention to Japan's flagrant disregard of her own pledges, made so explicitly two years ago, and to the implications of the almost forgotten Nine-Power treaty. It is perhaps not unkind to suggest that the moment in which Japan is throwing down the gauntlet in the naval pourparlers is hardly the most auspicious moment for publishing the fact of the failure of their representations on mere matters of business. The foreign interests concerned have regularly informed their governments what was going on, and those governments at any rate, cannot labor under the delusion that there "must be some misunderstanding." They know quite definitely that a major industry like the oil industry is practically assured of eventual and indeed early exclusion from the Manchurian market; and if they are not equally certain that other industries and faced with the same grim certainly it is because none are so blind as those who will not see.

The view is taken in certain quarters in London that the establishment of the proposed oil monopoly by Manchoukuo would constitute a breach of Japan's treaty obligations towards China, which the Manchoukuo Government pledged itself to observe. The main objects of the new Japanese oil law appear to be the accumulation of vast reserves of oil and the encouragement of the oil refining industry in Japan, all in the interests of the Japanese Government and at the expense of foreign oil companies. Extensive powers of control over the industry enable the Japanese Government to fix the sale price, to determine quotas of oil imports allotted annually to any given company, to force oil companies to expand their storage plant in case of necessity and to set up refineries in Japan. The principal foreign oil interests concerned are required to incur heavy expenditure on the construction of additional storage tanks and to increase oil stocks to about three times the present volume without receiving any security that they may be able to recoup themselves for this large expenditure. In fact, there is no guarantee that, after the expenditure has been incurred, the Japanese Government, by arbitrarily fixing the sale price and limiting the quota of trade annually alloted to the companies, may not actually prevent them from so recouping themselves.

Foreign Oil Companies Will Suffer Large Losses

The position as regards the oil business in Manchuria was thus succinctly stated by an official of one of the large oil companies in Shanghai quoted by the *China Press*:

"With the exception of the Soviet Oil Trust, which has made rapid inroads in the Orient during the past five years, the foreign oil companies now operating in Manchuria have been established for over 30 years, during which time they have invested large sums of capital necessary for the distribution of petroleum products, including the establishment of offices and plants at main distributing points. The proposed monopoly, if carried out will result in the closing of all established agencies and the abandonment of all interior plants; it will further result in closing out the established main offices of the companies outside of Dairen, all of which will result in large losses to the oil companies."

Japanese Move Stops Construction of American Auto Factory in Dairen

Agents for an American-make of automobile in Manchuria have, according to the N. Y. *Herald Tribune*, stopped construction of a factory in Dairen after being notified by Manchukuo authorities that they would not tolerate any competition with an automobile factory established at Mukden by a Japanese company.

Manchurian Protests Two Years Too Late

(*From the Hankow Herald—Chinese Owned*)

The exit sign for all foreign interests to get out of Manchuria was hung up high in Mukden when Japanese military wrested the country from China on September 18, 1931, and it was as plain as it could be. In the meantime the door to Manchuria was being slowly swung shut to all save Japanese. All this time the powers, in spite of the fact they were bound by international treaties to use concerted measures to stop the aggression, sat back and considered it none of their business. Some of them even, by official declarations and underhand diplomatic maneuverings, tried to encourage and connive with the Japanese in their predatory activities and thwart the effort of others to check these activities.

"Whatsoever a Man Soweth, that Shall He Also Reap." Now the powers are getting what is inevitable. When the Japanese took the opportunity of China's helplessness to launch their attack, they never dreamt that they would stop at driving out of Manchuria the Chinese alone. Their mind was set on clearing Manchuria of all foreign influences and making it an exclusive Japanese colony. It was only the most stupid that would think for a moment that the Japanese were provoked into taking the drastic action and that they would scrupulously observe other international treaty obligations as far as rights and interests of other powers were concerned. To this mistake the powers are now being rudely awakened and it is their turn to see their own rights and interests being ruthlessly trampled upon. We have heard a great deal of the criticism by western powers that China is unable to see the Manchurian case "realistically," and it is now their chance to view their own grief "realistically."

When commenting upon the protests by Great Britain, America and the Netherlands, General Senjuro Hayashi, the Japanese Minister of War, said that these representations were addressed to the wrong party. General Hayashi must have indulged in several laughs when he thought of the naive ignorance of the powers and the predicament they now find themselves in. It was reported sometime ago that Japan, in an attempt to wrest recognition of her puppet creation by the powers, would reject all diplomatic representations addressed to Tokyo on affairs in Manchuria and direct them to Changchun. Being completely under the mercy of Japan, the Powers have now no way left but to pack up and get out of Manchuria or deal directly with "Manchukuo," thus implying recognition of the bogus regime. They may protest all they want, but we are afraid that these protests come in more than two years too late.

Central Bank of China Has $83,302,703.00 in Circulation

The Central Bank of China as of Oct. 31, 1934 according to the report of the supervisory committee, had a total, of $83,302,703.00 of dollar notes and subsidiary coin in circulation. The reserves to an equal amount included cash $66,696,703.00; securities reserve, $16,606,000.00. Customs gold notes in circulation, C. G. U. 373,324.70, fully secured.

Who's Who in China

陶治公
Tao Yeh-kung

Tao Yeh-kung, Government official; born at Shaoshing Chekiang, 1886: while studying in Japan in 1906 he joined Tung Meng Hui and became acquainted with Dr. Sun Yet-sen at Tokyo; made director of the Executive Council of the Chekang office of Tung Meng Hui: entered Medical College of Nagasaki, Japan: upon returning to China he participated in the Revolution of 1911: when the Provisional Government of the Chinese Republic was established, he was sppointed military councillor; participated in the Independence Movement of Chekiang 1916; director of Health Bureau of Hankow Special Municipality 1926; head of Political Training Department attached to the Military Council 1927; delegate to the National Salvation Conferreuce 1931; appointed member of the Committee for the Disciplinary Punishment of Civivl Officials 1933, which post he still retains; address: Committee for the Disciplinary Punishment of Civil Officials, National Government, Nanking.

陶冶公，現年四十八歲，浙江紹興縣人，前清光緒丙午年秋，東渡日本游學，時承宋教仁章太炎之介紹，入中國同盟會，幷謁孫中山先生于東京寓廬，後任同盟會浙江支部評議部長，曾考入長崎醫科大學，辛亥武昌起義時，卽歸國參加戰役，迨中華民國臨時政府成立，被任爲軍事參議官，民五參加浙江獨立運動，民十五任漢口特別市政府衞生局長，民十六任軍事委員會政治訓練部主任，二十年國府聘任爲國難會議會員，廿二年秋國府任爲中央公務員懲戒委員會委員。

Four Chinese Youths Set Out on Exploration Tour of Tibet

A party of four young Chinese left Peiping last week for Hankow, en route for Tibet, with the avowed intention of clinbing Mount Everest. The party consists of Messrs. Li Shih-ming and Chu Huai-yi, third-year students in the Department of Geology of the National University of Peking, and Wang Yao-hsien and Tou Tze-hsin, graduates of the Tientsin College of the Industry and Commerce. They expect to enter Tibet from Sikang, returning by way of Chinghai, Sinkiang and Kansu.

Interviewed before their departure, the youthful explorers said the principal object of their expedition is to climb Mount Everest. Incidentally, they will study the customs and modes of the people in China's border districts. They carry with them a letter of introduction from the Panchen Lama to the Tibetan authorities. They expect to be gone about six months.

International Savings Society

A FRENCH PUBLIC SAVINGS COMPANY

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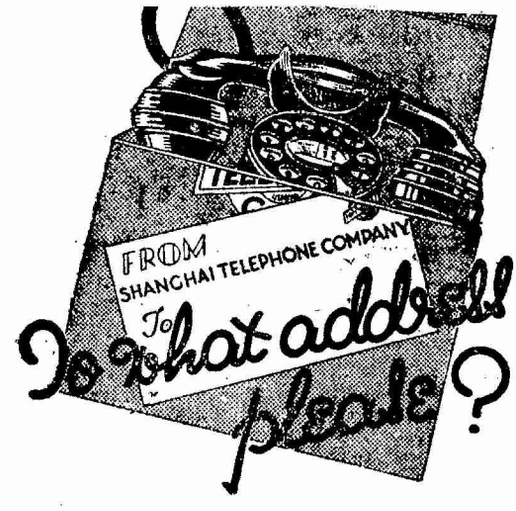
Capital .....Tls. 1,000,000 Frs. 8,000,000	$ 2,797,202.80
General Reserves.....	$ 1,274,289.59
Property Sinking Fund	$ 384,608.87
Mathematical Reserve.....	$65,123,536.74

HEAD OFFICE:
7 AVENUE EDOUARD VII
SHANGHAI



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No. 175

70-421

Men and Events

The Kansu Provincial Government has issued an order imposing an embargo on silver.

Mrs. Randall Gould and two children departed from Shanghai last week for the United States.

The Manufactures' Bank of China celebrated its second anniversary at its Nanking Road office Nov 4.

M. Wilden, French minister to China, who has been on furlough in France, arrived back in Shanghai Nov. 7.

Major Fabre, commandant of the French Municipal Police, departed from Shanghai in the s.s. *Chenonceaux* Nov. 3 for long leave in France.

Mansfield Freeman, president of the Asia Life Insurance Company, returned to Shanghai Nov. 6 from a seven-months trip to America.

Dr. M. E. Dodd, President of the Southern Baptist Convention of the United States and Pastor of the First Baptist Church of Shreveport, Louisiana, is making an official missionary tour of the Far East.

Dr. Robert Haas, the new representative of the League of Nations in China, is expected to arrive here about the middle of December. Dr. Haas was appointed in place of Dr. Ludwig Rajchmann.

The drawing of the eighth National State lottery took place in Shanghai Nov. 2. The first prize was for $500,000. The winning numbers are given in a page advertisement in to-day's issue of *The Review*.

S. Forry Laucks, president of the York Safe and Lock Company of York, Pennsylvania, which claims to make approximately eighty per cent of all burglar proof bank vaults of the world, is in Shanghai.

Chen Li-fu, high official of the Central Kuomintang, has been invited to give a speech under the auspices of the Bureau of the Education at the Chinese Chamber of Commerce building, at 3 p.m. November 11.

A new pipe organ for the Community Church in Shanghai has been brought out from America and within the next month will be installed in the church building. The organ was ordered by Dr. Arthur N. Young, who will also act as organist.

A Ariyoshi, Japanese minister to China, called on General Chiang Kai-shek, chairman of the Military Affairs Commission. and General Huang Fu, chairman of the Peiping Political Affairs Readjustment Committee in Peiping during the week.

D. V. Bogomolov, Soviet ambassador to China, who is in Moscow on furlough, was guest of honor at a banquet Nov. 4 in the Chinese Embassy in Moscow with Wu Nan-ju, Chinese charge d'affaires, as host. The Soviet director of Oriental affairs and other members of the Soviet Foreign Office were among the guests present.

The Board of Directors of the Sino-British Cultural Association held its 6th meeting in Nanking Nov 2. under the chairmanship of Sir Alexander Cadogan, the British minister. Among those present were Dr. Wang Shih-chieh, minister of education, Shih Ying, mayor of Nanking, and A. P. Blunt, the British consul-general at the Capital.

The Women's Christian Temperance Union, of which Mrs. Herman C. E. Liu, wife of the president of the University of Shanghai, is general secretary, will hold two charity entertainments on November 10 and 11 at the Chinese Chamber of Commerce, corner of North Honan Road and Soochow Creek. The proceeds of the entertainments will be devoted to the relief of beggars in Shanghai.

The Jack Young expedition to the Tibetan border arrived back in Shanghai last week with 2,000 plant specimens and about 200 small animals. They brought back alive three white-cared Tibetan 'pheasants, the first to ever reach Shanghai alive, four Tibetan dogs, and a Tibetan fox. Mr. Young and his wife, and his brother Quentin, who constituted the party, are Hawaiian-born Chinese.

The annual Honors Day of the University of Shanghai was observed Nov. 1. At the special convocation, President Liu explained the significance of Honors Day and the responsibility of the intellectual of leadership for the construction of New China. Dean T. K. Van read the Honors Roll. Dr. Ho Ping-sung, editor-in-chief of the Commercial Press, was the principal speaker of the occasion. Eleven students received the highest honor; twenty, high honor; and forty-five, ordinary honor.

Chapei and Nantao (Shanghai suburbs) were placed under martial law for six hours during the night of Nov. 3 in connection with anti-trouble maneuvers in Chinese-controlled territory. About 20,000 persons participated in the drill, which was directed against potential enemies: flood, typhoon, fire, rioting, and like disasters. It was the first time in the history of Shanghai that such general maneuvers had been held. Similar maneuvers were held at Nanking.

Waterworks for Pootung to Be Financed by Greater Shanghai City Trust

The long-felt want for the construction of a modern waterworks in Pootung where the population has increased and the number of industrial plants and godowns has multiplied is at last to be met by the decision of the Greater Shanghai City Trust to construct an up-to-date waterworks following specific instructions on the subject given by Mayor Wu Te-chen recently.

The construction of the Pootung highway has recently been completed, while public utilities such as telephone lines and the electric power station have been erected. Ferry boats of the latest style have served to connect the two sides of the Whangpoo. Furthermore, a Motor-car Ferry will be placed in service in the near future. The rapid increase in the population and the rise of land value in Pootung are credited to these factors. In the absence of a waterworks, sanitation and fire prevention are seriously handicapped, not to mention the fact that the people are deprived of pure water for drinking purposes. It is believed that the lack of an efficient water system would affect the general scheme of the development of the Municipality of Greater Shanghai.

The Great Shanghai City Trust, which was established by the City Government, has been paying particular attention to promoting public utility enterprises. The management of the City Government Ferry is also a part of the work of this organization.

Acting upon the instructions of the Mayor, the Greater Shanghai City Trust has already started ordering the latest machinery, equipments and materials with a view to supplying water to the people in Pootung within the shortest possible period.

It has been noticed that the price of land in Pootung has of late been on a steady increase, the value of one mow of land ranging from serveal hundred to one thousand dollars. It is freely predicted that with the financial resources of the Greater Shanghai City Trust backed by a forward-looking policy the growth of Pootung will in the not distant future reach phenomenal stages.

Applications for water supply are to be addressed to the Town Office of the Greater Shanghai City Trust at 66 Tientsin Road.

Publicity for Impeachments Is Provided in New Ruling

A new ruling modifying the supplementary measures for disposal of impeachment cases—which were decided upon at the 416th meeting of the Central Political Council on July 11—was reached at the 431st meeting of the Central Political Council. The new ruling is as follows:

1. When an impeachment case has been referred to the competent organ for disposal, the organ exercising jurisdiction over the case shall simultaneously release the texts of the impeachment brought by the Control Yuan and the counter-reply of the impeached official.

The impeachment law and the law governing the organization of the Committee for the Disciplinary Punishment of Public Functionaries will be referred to the Legislative Yuan for the necessary amendment in accordance with this ruling.

2. When an impeached political official, appointed by the Central Political Council, has been referred to the competent organ for punishment, the judgment rendered against him shall be submitted to the Central Political Council.

3. The original decision that without the authorization of the Central Political Council no important documents relating to government policy and the international status of China shall be made public, is upheld. No alteration in this respect is therefore deemed necessary.

The July supplementary measures were formulated to cope with the situation arising out of the dispute between the Executive and Control Yuans over the impeachment of Ku Meng-yu, minister of railways.

Singapore Philanthrophist Makes Visit to Shanghai

Hu Wen-hu, well-known in the Straits Settlements as Ah Boon-haw, arrived in Shanghai Nov. 5 from Hongkong, where he had been visiting for some time. Mr. Hu is well known throughout the Far East among the Chinese as a strong supporter of various institutions, educational, civic, as well as industrial.

Mayor Wu Te-chen of Greater Shanghai, Dr. H. H. Kung, Minister of Finance, Sun Fo, President of the Legislative Yuan, and other Government officials, greeted him on his arrival. Shortly after his arrival, Mr. Hu called on Lin Sen, Chairman of the Government, who is visiting Shanghai. Mr. Hu was later entertained at a banquet given by Gen. Wu Te-chen. Numerous receptions have also been arranged by local merchants and public bodies in his honor. Dr. Wu Lien-teh, who was invited to Hongkong by Mr. Hu to discuss his further donations in China, also arrived from the south at the same time.

Customs Cruiser Captures Canton Harbor Patrol Boat

A patrol boat named *Hai Ying*, belonging to the Kwangtung Provincial Harbor Office, not to be confused with the Chinese naval cruiser of that name, was hit by shells and captured Nov. 5 by a cruiser belonging to the Provincial Anti-Smuggling Bureau. The *Hai Ying*, was found to be engaged in smuggling foreign sugar and sea products into Kwangtung. It was ordered to heave to by the preventive cruiser in the vicinity of Taishan, about 200 miles from Canton. Instead of doing so, the *Hai Ying*, put on full steam ahead with the result that the anti-smuggling cruiser began to shell her. The Hai Ying responded and several shots were exchanged. The preventive cruiser got the better of the battle, for the *Hai Ying*, was badly holed. Several of her crew were drowned, others were seriously injured.

Cantonese Oppose Customs House at Hongkong

The Southwest Executive committee, at a recent meeting passed a resolution recording their opposition to the proposal to establish a customs station at Hongkong. Nanking considers the move the only effective means of checking extensive smuggling and the consequent decline in customs revenues, but Canton predicts injurious effects if the proposal is implemented. It is asserted at that all trade and industry in Canton will suffer "huge losses" if the plan is put into effect and that foreign territory will become prosperous at the expense of business interests there. Another objection to the scheme is that it will entail much inconvenience to Cantonese merchants.

Extra Precautions Against Smuggling at Shanghai

A system of Customs barriers will be put in force at all wharves in Shanghai from April 1. A special force of Revenue Guards is now being recruited by the Customs to take charge of them. This is part of a scheme to cope with the tremendous increase in smuggling which has followed upon the successive raising of the tariffs in the last two years.

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Customs Cruiser Tackles Chinese Pirates—Ten Men Killed

Ten men met their death as a result of a fierce encounter between the Customs Preventive Cruiser *Yuenhsing* and a pirate junk on Thursday afternoon in Worth Harbor off the Chekiang coast. When the *Yuenhsing* returned to Shanghai she had on board five captured pirates three of whom were wounded. Two of her own crew, were also badly wounded.

Of a total of the ten men who were killed, one is a Chinese sailor off the *Yuenhsing*, who boarded the pirates' vessel and was shot down and believed to have been subsequently drowned, five were pirates and four were fishermen. On boarded the pirates' junk were ten captive fishermen.

The fight commenced early on Thursday morning after a party from off the Customs cruiser received a hostile reception when they boarded the pirates' junk in search of contraband.

Dr. Kung Starts on Tour of Northern Provinces

Dr. H. H. Kung, minister of finance, left for North-China on an inspection trip on November 7 by the Shanghai-Peiping through train. The finance minister will visit the principal districts in Charhar, Suiyuan, and Shansi in connection with rehabilitation work which has been carried out there.

Radio Talks In Print. No. 1.

At this time of year many men and women feel run-down. The great heat of recent months has made their blood thin and watery, with the result that they are 'nervy,' feel feeble in the stomach and so cannot enjoy their meals, sleep uneasily, and wake up in the mornings unrested and disinclined for the day's work.

It is to just such worn-out, debilitated people that Dr. Williams' Pink Pills are of immediate and immense value. Rapidly and surely these pills enrich poor blood, purify bad blood, create new rich blood, full of red corpuscles and haemoglobin, by means of which abundant supplies of oxygen and nourishment are carried to every part of the system.

In this way Dr. Williams' Pink Pills build up the nerves, strengthen the digestive and other organs, impart new life and vitality. Thus they are bringing fresh energy, health and happiness to thousands of weak men and women all over the world every day. Why not let them do the same for you? Of chemists everywhere.

I.D. EMULSION
OF COD LIVER OIL
五洲魚肝油乳白

Excellent quality
Reasonable price
Invaluable as a tonic for all ages.

INTERNATIONAL DISPENSARY,
231 FOOCHOW ROAD, SHANGHAI
AND BRANCHES

You're a
HAPPIER COMPANION
. . . when you're WELL

How *can* your manner to others be cheerful, friendly, considerate—if your whole system is being soured by the effects of common constipation?

Come over to the sunny side of life—bring your system back to regular, *natural* action—simply by eating a delicious cereal. You should need no irritating, habit-forming drugs or pills. Just two tablespoonfuls of Kellogg's ALL-BRAN daily. The "bulk" in ALL-BRAN, like the "bulk" in leafy vegetables, *exercises* the intestines. All the Vitamin B in ALL-BRAN is a further aid to natural regularity. ALL-BRAN is also rich in iron for the blood.

ALL-BRAN each day will usually correct most cases of constipation. Serve ALL-BRAN by itself or mixed with other cereals, adding cold milk or cream. No cooking. Look for the name Kellogg's on every packet. Sold by all grocers.

CONNELL BROS. Co. LTD.
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Kellogg's
ALL-BRAN
the gentle, natural way to relieve
CONSTIPATION

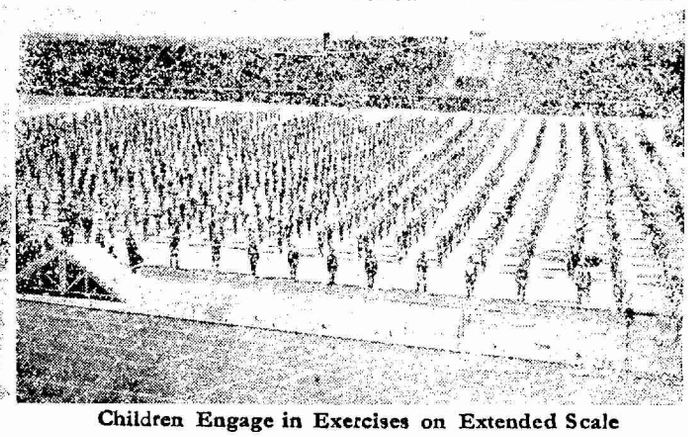
639

The Eighteenth North China Athletic Meet

BY CHU CHING-CHANG (朱景昌)

FOLLOWING the decision of the North China Athletic Meet last year that the 18th Annual Meet will be held in Tientsin, (Oct. 10-14) the Hopei Provincial Government, at a cost of 360,000 dollars, built a stadium for this purpose. The location of the stadium is the former Agricultural Experimental Station Hopei Province. It is situated on the northern side of the central station and very near the Pei Ning park. The stands are built with reinforced concrete and have accomodation for 50,000 persons.

Grand Stand of the Hopei Provincial Stadium



Children Engage in Exercises on Extended Scale

Many prominent Chinese leaders such as Drs. W. W. Yen, C. T. Wang, Chu Min-yi, Generals Yu Hsuan-chung, Shang Chen and many others, and many foreign diplomatic and military officers in North China participated the inauguration ceremony. The ceremony was completed with the cutting of a silk ribbon, hung across the field, by Mrs. Yu Hsuan-chung. Many white pigeons were released in expresions of love, peace, and happiness. The rest of the forenoon was devoted to the exercises engaged in by 5,696 children from the local primary schools. About fifty thousand persons were in attendance.

Several Records Established

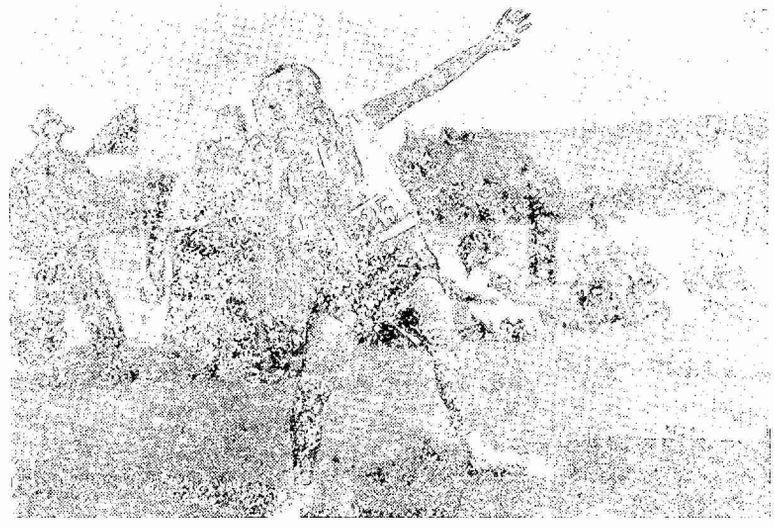
The Meet lasted five days. It is gratifying to say that several North China and national records were established and more gratifying was the orderly way in which the sports were conducted. Good discipline was observed by the athletes. Careful arrangements on the part of the Executive Committee contributed to a most successful Meet.

The athletes were selected from colleges and universities, mostly in Peiping and Tientsin. The spectators were students as well. They bore on the front of their shirts several characters. The Meet had no social significance and offered no stimulus to the public as a whole. The public generally looked on it as an event in which the students as a privileged class, who were learning something foreign appeared.

Each year's event has shown an improvement. According to the history of The North China Athletic Association, ball games for girls added in the schedule at the 13rd Meet (1928), Province and Municipalities appeared as units instead of individual schools in the 15th Meet (1931), and there were more schedules of swimming and boxing in the 17th Meet last year. Year in and year out the scope of the Meet was made more extensive, and more men participated. Judging from the results of the recent contest we are unable to meet the competition of The Far East Olympic and the world records, yet we learn through practice. Rome was not built in a day. We are on the road to improvement.

What is necessary is to have the public imbued with the necessity of sport as a means of bodily development. Many schools have no playgrounds. Many students regard the Athletic Meet as a modern toy, a modern embellishment—nothing more. When the time of contest draws near, without hesitation they engage in practice. They run and jump, sometimes almost forgetting their meals, and suspend their lessons. The only incentives are cups and applause. However, when the Meet is over, they will idle away their time, instead of frequenting the playground and practice. They lack sportmanship and regard victory as the main aim.

The students of Pao-Ting-Fu, both boys and girls, have almost formed a habit of playing in the playground. For them the playground seems to be a paradise. They don't often visit the theatre and cinema. A few days ago some one mentioned that Miss Chiao Yu-lien, who won the championship, and her school-mates, in the Pei Chang Middle school for girls, in Kai Feng, had good chances to practice. After class or on holidays, all the members of the faculty staff mingled with the students and played together with them.



Chinese Girl Putting the Shot

The Spirit of Sportsmanship

Another scene I like to lay emphasis upon is that five years ago a Hsing Hua team had a match with that of Shih-ta. The latter beat the former by the score of about 40-6. The Hsing Hua five observed the spirit of sportsmanship from the beginning to the last. "The joy of life is not in achievement but in the struggle to achieve." They got the idea. To conquer is glorious, but to keep the spirit of fighting is glorious too. To drop the privilege is undesirable. To weep after being beaten is unnecessary. A good loser is as excellent as a good fighter.

To make sport really enjoyable a stadium is necessary. Many cities are without public playgrounds. Many pupils will be obliged to forego their excercises when they graduate. It is a great loss. Physical training is part of education.

Furthermore, the recent Athletic Meet was only for the students —only for a few well chosen persons. Not all of our countryman know what athletics mean. They remain narrow-chested and hollow-cheeked, scraggy-limbed and withered. Their life is too hard to allow a breathing spell so as to strenghten their bodies.

So as many of them are ignorant of the importance of physical training. These is imperative need that the movement for athletic training be extended. Play-grounds ought to be provided in towns and in the country-side, so that everybody may get a chance to taste the genuine pleasure of exercise. Without popularization of athletics, the whole country will deteriorate, and a strong race cannot be built up. The Tientsin stadium constitutes a matter of great significance to North China in particular, and all the land in general, and contributes to the regeneration of our country in this moment of national crisis.

Pao-ting-fu, October 26, 1934.

Preliminary Naval Talks Make No Progress

A LACONIC message from London Nov. 5 stated that the preliminary naval "talks" were being carried on "in silence." In other words, no progress is being made. The Japanese insist on naval parity, at least in principle, and there is so far no indication that either the British or Americans intend to grant same. The Japanese, are, naturally, doing their utmost to wean the British away from America, which has so far, shown itself obdurate towards and idea of meeting the Japanese demands.

Japan States Her Naval Policy

The future course of Japan's policies at the London conversations was decided by the Tokyo Foreign Office Nov. 3 following a series of conferences among high officials of the Ministry.

1.—Should the United States and Great Britain decline Japan's proposal to terminate the Washington Naval Treaty, Japan will be obliged to announce the termination of the treaty independently. Such a step would probably be taken at the end of this month, or at any other time that K. Hirota, Foreign Minister, may deem fit. Should such a notification be made by Japan, the Japanese Government will make a determined effort to avoid provoking the resentment of Great Britain and the United States, explaining that its action is based on treaty rights.

2.—Japan will decline to admit the discussion of political questions, especially questions concerned with the Orient, into the agenda of the preliminary naval negotiations.

3.—Japan will inform Great Britain and the United States of her concret proposals for disarmament as soon as these two powers clarify their own disarmament policies. Japan's proposals are and will be based on the principle of equality in armaments.

Japan will not budge from the "fundamental principle" of her naval plan, which she regards as "absolutely unalterable," Rear-Admiral I. Yamamoto, stated in London, Nov. 2. He added, "We have no alternative." The British and American delegates are trying to agree on a formula to accommodate the the Japanese claim to theoretical equality, which is defended by the Japanese on the score that, for political reasons alone, it is impossible to acquiesce in a renewal of anything like the 5-5-3 ratio, which they feel derogatory to Japanese prestige.

A Plea for Anglo-American Solidarity

J. L. Garvin commenting on the London naval talks in the London *Observer* Nov. 4 made an ardent plea that in no case, nor under any pretext, should British diplomacy be estranged from the United States, "If the two English-speaking powers could successfully be divided, Japan might well look towards dominating by degrees fully half of mankind," he said. "The United Kingdom and the United States no doubt must alter more or less the present naval arrangements between each other, but it is better to say frankly that in the particular matter that has now arisen a good Anglo-American understanding must be the firm principle, unswerving aim, and impregnable foundation of British policy," the writer added.

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"White-Faced British Jackal Confronts Tawny Japanese Lion"

Commenting on Great Britain's attitude toward the United States and Japan, in the light of the naval conversations the London *Economist* Nov. 2 published an editorial stressing the necessity of an Anglo-American rapprochement and bitterly attacking the pro-Japanese tendencies manifested in certain factions of British opinion. "To speak plainly, these minority interests in this country seem to be casting the British people in the role of a white-faced jackal fronting the tawny Japanese lion. This role," the paper commented, "is so humiliating, as well as destructive, to fundamental British interests, that we are confident that this country will never accept it."

Your Invisible Glasses.

Are you looking out on life through rose-coloured spectacles, or green? Is your mental vision helped by a healthy digestion, or distorted by defective elimination and a drowsy liver?

You cannot see beauty with miserable eyes, or be cheerful when the natural functions are failing in their daily duty. Therefore you owe it to yourself to correct these hinderances to happiness by the occasional use of Pinkettes.

Gently laxative, Pinkettes dispel liverishness, constipation, bilious attacks, gloom, in a single night. Then the occasional dose, when needed, prevents sick headaches, keeps the system clean and regular, ensures a clear skin, pure breath, and the bright eyes of health. Chemists everywhere sell them.

CUSTOMS NOTIFICATION No. 1398

The public is hereby notified that in accordance with Government instructions the transhipment privileges accorded to cargo arriving from abroad will as from the 1st December, 1934, be limited to the following two categories of cargo:—

(1) Foreign imports passing through an open port under through bill of lading to another open port;

(2) Foreign imports under ordinary bill of lading to the first port of entry, but declared for transhipment, without option of importation, before discharge from the importing vessel.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 3rd November, 1934.

"Tell Yu' Mummy To Get You Baby's Own Tablets!"

THEY KNOW WHAT IS GOOD FOR THEM.

Why Children Like

BABY'S OWN TABLETS.

You have no trouble with your little ones when medicine has to be given if you keep Baby's Own Tablets in the house. The children like them, not only because of their pleasant taste, but also because they do not nauseate, gripe or purge.

A medical child-specialist's prescription, Baby's Own Tablets gently correct infantile constipation, indigestion, vomiting, 'wind,' diarrhoea and colic; reduce feverishness, allay teething pains as if by magic, expel worms, ease colds and croup, and bring calm restful sleep in a perfectly natural way. They are guaranteed absolutely safe and harmless even to the youngest infant in arms. Of chemists everywhere.

70-425

Sinclair Defeated for Governor of California

The elections in the United States Nov. 6 resulted in the most crushing defeat of the Republicans in history. The only state in which the Democrats did not win was California, where Upton Sinclair, Democrat, was defeated by Frank Merriam, Republican incumbent. Even in the Republican stronghold of Pennsylvania, David Reid, Republican senator, was defeated by Joseph F. Guffey, Democrat. George Earl, Democrat, was elected governor. The Democrats have a two-third majority in both the Senate and the House. Fred Britten, Republican with 22 years service in Congress from Illinois, Big Navy advocate, was defeated.

BLOODSHED IN PENNA. MINING TOWN

At Kelayres, a mining town near Hazelton, Pennyslvania, as Democratic paraders were passing the home of a Republican leader, many of them were riddled with bullets fired from a machine gun placed in a window. Three persons were shot dead, two died from bullet wounds in hospital, and eight, including five women, were wounded.

ROOSEVELT ADMINISTRATION SPENDS $10,733,405,968

The U.S. Treasury Department announced in Washington, Nov. 5 that the Government has spent a total of $10,733,405,968 since President Roosevelt was inaugurated on March 4, 1933. These record expenditures included $5,615,225,120 spent in the relief and recovery campaigns. Included in these disbursements however, are $2,000,000,000 loaned by the Reconstruction Finance Corporation.

American Public Slow to Return Gold Notes

The N. Y. *Times* say the gold certificates figuring in the Lindbergh kidnapping case represent only a small fraction of the total gold currency still outstanding despite Washington demands that all persons deliver their gold and gold certificates to Federal Reserve Banks.

Insull Admits Drawing Huge Salary While His Financial "Empire" Was Crumbling

Samuel Insull, who is on trial at Chicago, for fraud and embezzlement in connection with the failure of his vast utilities interests, admitted Nov. 2 that he continued to draw a salary of nearly half a million dollars annually while his huge power and utilities empire was crashing about his ears.

America Will Attempt to Undo Damage of High Tariff Policy

The United States is willing to atone for its high tariff policy in the past by leading the way to freer international trade according to an address read before the Foreign Trade Association on behalf of Cordell Hull, Secretary of State in New York, Nov. 1.

The statement declared that the United States was asking other nations to join in an attempt to "undo the damage which our collective action worked."

"The effect of the 1930 Tariff Act," the message added, "was to shut the door against our own products and we now recognize that exports paid by loans are simply a present to foreign countries."

President Roosevelt telegraphed to James Farrell, chairman of the National Foreign Trade Council, declaring:—"We are seeking to rehabilitate international commerce in a way which will benefit not a single nation but all nations. One of the most serious causes of the decline in trade are artificial barriers which are hampering a healthy interchange of commodities."

Secretary of State Cordell Hull told the foreign traders' convention that unhampered revival of American exports is absolutely essential for the re-employment of millions of jobless and a return to pre-depression standards of living.

A resolution recommending the U.S. Government to return to a fixed gold dollar, preferably in conjunction with Great Britain and other countries, was passed by the National Foreign Trade Convention, in New York, Nov. 2.

Seventeen Smuggled Chinese Chained in Cellar in U.S.A.

In the course of a raid made on an abandoned house in a New Jersey village last week, the state police found in the cellar seventeen Chinese chained to the walls. The unfortunate men were the remnants of the last batch of 39 Chinese who had fallen into the clutches of a smuggling gang. Questioned later by the authorities, the Chinese said that they had been approached while at Trinidad, with promises to smuggle them into the United States, against a remuneration of $1,000 to $1,500. They were shipped, 39 in all, like cattle in the holds of a freighter. Four of them fell ill during the voyage and were thrown overboard. The remaining 35 victims were landed on the coast of Virginia and shipped in potato bags to Keansburg, where they were chained in the cellar. Eighteen of them had already been "ransomed" by friends when the police raided the house. The police are now searching for them. The others were taken to Ellis Island for deportation.

China Wants Stable Silver, Says Merchant in New York

President Li of the Chinese Chamber of Commerce of New York declared before the Foreign Trade Convention that "China does not care whether the silver price is high or low, but objects to fluctuations causing her exchange medium to be kicked around like a football."

"China disliked the demonetization of silver a few years ago," Mr. Li said. "She dislikes remonetization today. Both moves brought wild fluctuations definitely damaging to China's trade."

Mr. Li said that China is off the silver standard as a result of recent action taken by the Nanking Government.

"China's present export tax and equalization charges have the same effect as an embargo, and consequently China is now off the silver standard due to the action of the United States," the Chinese business leader declared.

"I only hope that things will readjust themselves so that it will not be necessary for China to control foreign exchanges in the manner that they are now being controlled by 36 other nations," Mr. Li concluded.

C. N. A. C. Reopens Line to Canton

The Shanghai-Canton airmail line, suspended since April of this year, was reopened Nov. 2, when one of the China National Aviation Corporation's new Douglas Dolphins, the *Fukien*, left the Lungwha airdrome at 6.30 a.m. and arrived at Canton eight hours and 35 minutes later. The trip was made without incident. Radio apparatus, including new stations installed, worked perfectly throughout the trip, two-way communication being carried out during the entire flight.

The *Fukien* was piloted by Captain E. M. Allison, chief pilot and operations manager, and Captain Cecil Sellers, who will regularly fly the Canton run. W. W. Ehmer, radio operator, K. L. Nieh, assistant operations manager, P. C. Groeger, C.N.A.C. engineer, and H. Chen and C. Liu, co-pilots, who will be assigned to the Canton run, were also passengers. In addition, 50 kilos of air mail were carried.

A brief stop was made at Wenchow, after which the *Fukien* landed at Foochow at 10 a.m. Stops were also made at Amoy and Swatow, the plane reaching Canton at 3.05 p.m.

For the time being, the Canton schedule will be on a plane-a-week basis, down planes leaving Shanghai on Fridays and up planes returning to Shanghai on Sundays. Later the *Kwangtung* will be added, the down flight to be made on Tuesdays and the return flight on Thursdays. No pay passengers will be carried until several weeks later.

Foreign Savings Societies Must Make Deposits With Central Bank

The Ministry of Finance, in a dispatch to the Custody Committee for Reserve Funds against the Savings Deposits of Savings Banks, Oct. 27 instructed that, in accordance with Article 9 of the Savings Banking Law, the International Savings Society and L'Epargne Franco-Chinoise be required to deposit one-fourth of their deposits with the Central Bank of China as security. No compromise in this connection, the dispatch states, should be allowed.

22 Greek Ships Under Japanese Charters in Far East

Some 22 Greek steamers, chartered by the Yamashita Steamship Company, large Japanese ship operating concern, are expected to call at Dairen and other ports in the Far East next year. The Greek steamer *Virginia Nicolaou*, the first vessel to enter Shanghai during the present year, will be included among the vessels scheduled to arrive in Far Eastern waters next year under Japanese charter.

New Directory Map of Shanghai Published

The "New Directory Map of Shanghai," providing a detailed and accurate layout of Shanghai and surrounding districts, has just been published by the Jih-Sin Geographical Institute, well-known map publishers in Shanghai. The work of Soo Chia-yung, formerly professor of geography at the National Wuhan University and now expert member of the Maps Revision Committee of the National Government, the map gives a brief history of the development of Shanghai and a description of the various Shanghai areas and Settlements. There is also attached an index of place-names in both Chinese and English. It is folded in a handy volume and should be a useful accessory to both the residents in Shanghai and tourists visiting this city. The publication sells at $1.50 in China and $1.00 gold abroad. The *China Weekly Review* is the sole agent for sales.